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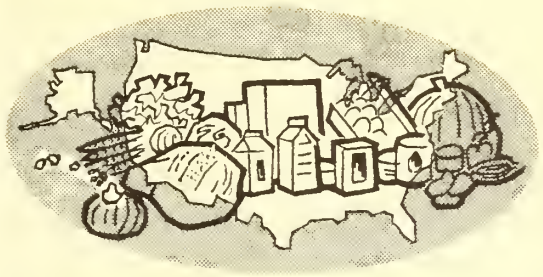
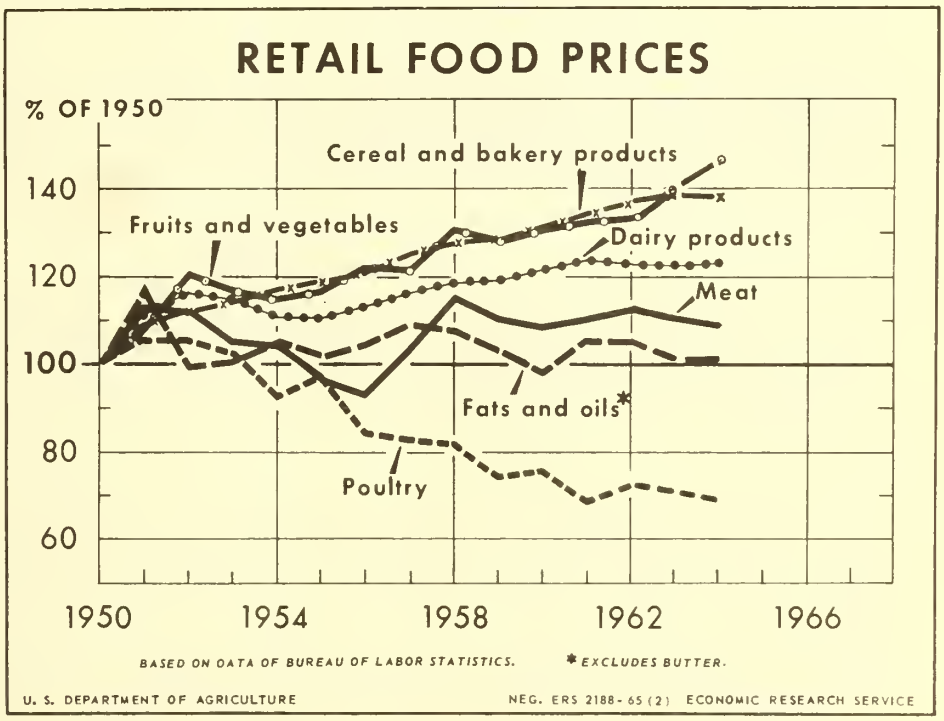
NATIONAL FOOD SITUATION



NFS-111 For Release February 13, P. M. FEBRUARY 1965

Retail food prices averaged 1.2 percent higher in 1964 than in 1963. Most price increases were for foods from crops: Prices of fruits and vegetables averaged 4 percent higher, continuing the strong uptrend since 1950. Cereal and bakery product prices averaged a half percent higher last year, less than the usual increase of recent years. Retail prices of livestock products averaged a little lower in 1964 than a year earlier: Beef prices were down by 3 percent. Poultry meat prices though slightly lower, stayed above the record low set in 1961.

Last year's increase of 1.2 percent in retail food prices compared with a rise of 1.3 percent for the Consumer Price Index, which includes all goods and services.



IN THIS ISSUE

World Food Situation

Published quarterly by
ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE

Table 1.--Volume of farm marketings and home consumption 1/

(Index numbers, 1957-59=100)

Item	1947-49 average	1957	1958	1959	1960	1961	1962	1963	1964 Preliminary 2/	1964 as a percentage of 1947-49	1964 as a percentage of 1963
Marketings and home consumption of all farm commodities	86	95	101	104	107	108	109	113	116	135	103
Food marketings and home consumption	87	97	100	103	104	107	107	110	115	132	104
Food marketings	82	97	100	103	105	109	109	112	117	143	104
Total food livestock 3/	79	99	98	103	104	108	110	114	119	151	104
Meat animals	81	100	97	103	105	108	110	116	123	152	106
Poultry and eggs	66	95	100	105	105	113	113	116	121	183	104
Dairy products	84	100	100	100	102	106	107	107	109	130	102
Total food crops 4/	98	91	104	105	108	110	106	108	113	115	105
Food grains 5/	102	80	114	106	117	114	102	108	117	115	108
Vegetables 6/	91	98	99	103	104	109	110	109	108	119	99
Fruit and nuts 7/	92	100	94	106	99	103	106	100	104	113	104
Sugar crops	78	98	97	105	105	115	117	152	155	199	102
Home consumption	161	106	100	94	87	81	74	69	67	42	97
Livestock	159	108	99	93	82	75	71	63	61	38	97
Crops	168	99	104	97	98	94	80	82	79	47	96
Nonfood marketings 8/	82	87	104	109	114	110	116	124	119	145	96

1/ Quantities of farm products weighted by average 1957-59 farm prices since 1955, 1947-49 prices in earlier years. Excludes Alaska and Hawaii. 2/ Indications for 1964 are based on calendar-year quantities estimated as of February 1, 1965. 3/ Includes honey. 4/ In addition to the crops listed below, includes peanuts, peppermint, popcorn and spearmint. 5/ Wheat, rye, rice and buckwheat. 6/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans and melons 1955 to date. 7/ Except peanuts and, beginning 1955, melons. 8/ There are no nonfood items in the home consumption index.

Table 2.--Food consumption per capita 1/

(Index, 1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy, excluding butter	Fats and oils, including butter	Fruits 2/ Fresh	Fruits 2/ Processed	Fruits 2/ Total	Vegetables 3/ Fresh	Vegetables 3/ Processed	Vegetables 3/ Total	Potatoes and sweetpotatoes	Cereal products	Sugar and sweeteners	Coffee, tea and cocoa	All food Livestock products	All food Crops 4/	All food Total
1910	96	49	107	82	70	101	142	14	78	114	24	85	208	149	54	65	87.2	86.3	86.7
1920	90	45	113	81	80	91	148	31	90	119	30	90	163	129	63	79	85.4	87.0	86.0
1930	85	52	97	89	83	113	139	35	87	126	47	100	138	131	85	81	86.3	94.9	89.7
1940	93	52	102	86	87	115	147	57	103	130	57	107	127	120	86	101	91.0	99.9	94.6
1941	94	56	108	84	90	116	155	53	104	129	61	107	134	121	94	104	92.3	102.7	96.5
1942	93	63	84	84	96	112	131	52	92	134	67	112	136	122	83	86	93.5	98.4	95.5
1943	98	78	75	92	96	97	117	45	82	139	61	114	137	135	77	81	96.2	97.9	96.8
1944	103	70	84	94	98	96	140	45	93	147	61	119	145	124	84	96	98.4	102.1	99.9
1945	97	76	94	107	104	91	138	57	98	150	74	126	129	130	69	100	99.4	103.1	100.8
1946	102	70	101	101	110	91	138	78	108	139	83	121	128	128	74	122	101.6	105.8	103.3
1947	102	64	96	104	104	97	143	67	105	127	76	111	126	115	94	108	100.0	102.8	101.2
1948	95	63	101	106	100	95	133	69	102	125	72	108	105	114	89	112	96.0	101.0	97.9
1949	95	67	102	105	99	98	129	73	101	118	75	104	109	113	91	115	96.1	100.7	97.9
1950	95	73	111	108	99	104	113	79	96	114	81	104	105	112	101	103	97.6	101.6	99.2
1951	90	77	106	109	99	94	118	78	98	111	84	103	105	115	94	105	95.8	99.9	97.3
1952	95	800	105	109	100	97	114	88	101	108	88	103	95	113	98	105	98.1	101.2	99.3
1953	102	79	103	106	99	98	112	90	101	106	91	102	100	110	97	107	100.0	101.3	100.5
1954	101	84	104	105	100	102	106	91	100	104	90	100	100	108	99	95	100.2	100.5	100.3
1955	106	79	97	104	101	103	101	98	100	104	96	102	101	102	100	96	101.7	100.2	101.0
1956	108	88	98	103	102	101	102	100	101	103	98	102	97	101	101	101	103.6	100.6	102.2
1957	102	94	97	102	101	99	100	103	101	102	98	101	98	99	98	100	100.6	99.5	100.1
1958	97	101	98	99	100	100	98	97	98	99	101	100	97	101	101	98	98.5	99.4	98.9
1959	101	105	105	99	100	101	102	100	101	98	101	99	105	100	101	102	100.9	101.1	101.0
1960 5/	102	102	102	94	99	99	98	104	101	100	102	100	109	99	102	101	99.9	101.6	100.7
1961 5/	101	112	102	91	97	99	94	102	98	99	102	100	110	98	102	102	99.6	101.0	100.3
1962 5/	102	110	102	91	97	99	91	106	98	96	107	99	114	97	103	104	99.9	101.1	100.5
1963 5/	105	112	101	89	98	102	84	97	90	96	107	99	119	97	103	106	101.3	101.1	101.2
1964 5/ 6/	108	115	101	88	98	102	92	94	93	94	105	97	117	98	103	105	102.7	101.1	102.0

1/ Civilian consumption, beginning 1941. Individual food items are combined in terms of 1947-49 retail prices through 1954, 1957-59 retail prices thereafter; indexes are linked at 1955. 2/ Excluding melons and baby food. 3/ Excluding soups, baby food, dry beans and peas, potatoes, and sweetpotatoes. 4/ Including melons, dry beans and peas, nuts, soups, and baby food in addition to groups shown separately. 5/ Incorporates data for Alaska and Hawaii. 6/ Preliminary.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, February 5, 1965

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SUMMARY

Retail food prices this year are expected to approximate the 1964 average. Last year they rose a little more than 1 percent from the 1963 average. Increased prices for fruits, vegetables, potatoes, coffee, and sweeteners were primarily responsible. Price declines occurred for beef, fish, poultry, and for livestock products as a group.

Per capita food consumption this year is expected to remain near last year's high level. Gains in per capita consumption are expected for beef, poultry, and processed fruits and vegetables; declines are expected for pork, lamb, and dairy products.

Last year's increase of nearly 1 percent in per capita food consumption was caused by an increase in consumption of animal products, spearheaded by beef, turkey, and chicken. Though per capita consumption of foods from crops remained at about the same level as in 1963, increases took place for vegetable oils, fresh fruits, corn sirup, and rice. Declines occurred for processed fruits, vegetables, and potatoes.

Since food prices and consumption per capita are expected to be little changed this year, total food expenditures are expected to rise only modestly. The gain likely will be due mostly to population gains and increased services, particularly for restaurant meals. The rise is not expected to approach the 5-percent spurt that pushed food expenditures to $80 billion in 1964. Incomes are not expected to surge upward as rapidly this year as in 1964. This portends less of an increase in food expenditures. As usual, food expenditures are not expected to rise as rapidly as incomes so the percentage of disposable income spent for food likely will drop another notch this year -- to around 18 percent.

An expansion occurred in U. S. foreign agricultural trade last year. The value of U. S. exports rose 12 percent; imports in the first 11 months were larger by 4 percent. World food production increased about 2 percent, roughly the same as population. Details of the world food situation for 1965 and some projections to 1970 are given in a special article beginning on page 15.

DEMAND AND SUPPLY OF FOOD

Food Supplies Large

Farm marketings of food products rose about 4 percent last year from 1963 (table 1). Increases took place for both livestock and crop products. Meat animal marketings were about 6 percent larger, mostly because beef production increased 12 percent (table 9). Increased marketings of poultry products were bolstered by a 7-percent gain in turkey meat production. Increased marketings of food crops were due mostly to increased marketings of wheat, but sugar and fruit marketings also were larger. Wheat production last year was 13 percent larger than in 1963. Marketings of vegetables were down slightly; potato production was down sharply. Consumption of home-produced food products was lower again last year.

Farm marketings of nonfood products declined about 4 percent in 1964. Cotton production was about the same as in 1963, but feed grains and tobacco production were down. On balance, the marketings and home consumption of all farm commodities rose 3 percent, exceeding the population gain of 1½ percent.

Farm marketings of food commodities are not expected to rise strongly in 1965, based on present indications. Crop production in 1964 was 3 percent below a year earlier and stocks of grain in all positions on January 1 were lower. As a result, marketings of crops during the remainder of the current marketing year are expected to continue below year-earlier levels. Indications of 1965 crop production will be available in March when farmers' prospective planting intentions are reported. Under normal weather conditions, crop production in 1965 would be expected to recover from last year's reduced level. Crop yields per acre last year declined for the first time in about 5 years. Livestock product production this year is not expected to show the rapid expansion that characterized 1964, according to current animal on feed reports, expected sow farrowings, and other indicators.

Supply and Use of Farm Commodities

Domestic production supplies most of the farm commodities used annually in the United States; imports supply 10 to 13 percent of the total (table 3). These imports consist mainly of tropical products. In 1964, the proportion imported--10.5 percent--was somewhat smaller than in recent years. Over the years, however, the proportion has been relatively stable. Use last year exceeded production plus imports, so yearend stocks were drawn down. About three-fourths of the total supply of farm commodities each year is used for

Table 3 .--Supply-utilization of farm commodities: Percentage of total annual net utilization, 1924-64 1/

Year	Net production	Net imports 2/	Stock change 3/	Total annual utilization	Domestic use: Food: Civilian	Domestic use: Food: Military 4/	Domestic use: Net nonfood 5/	Exports and shipments 6/
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1924	89.4	11.8	-1.2	100.0	76.9	---	10.7	12.4
1925	87.1	12.8	.1	100.0	76.4	---	11.8	11.8
1926	89.0	13.1	-2.1	100.0	76.4	---	11.8	11.8
1927	85.6	12.7	1.7	100.0	75.0	---	12.4	12.6
1928	88.3	12.7	-1.0	100.0	76.3	---	11.9	11.8
1929	85.9	14.1	7/	100.0	76.8	---	12.4	10.8
1930	88.8	12.9	-1.7	100.0	79.5	---	11.0	9.5
1931	94.4	11.8	-6.2	100.0	80.1	---	10.8	9.1
1932	91.4	10.4	-1.8	100.0	80.3	---	9.8	9.9
1933	84.1	11.6	4.3	100.0	79.6	---	11.6	8.8
1934	81.2	10.9	7.9	100.0	81.6	---	11.5	6.9
1935	90.9	14.1	-5.0	100.0	80.8	---	12.5	6.7
1936	79.0	14.1	6.9	100.0	80.1	---	13.9	6.0
1937	97.0	14.7	-11.7	100.0	79.5	---	13.8	6.7
1938	93.1	12.4	-5.5	100.0	80.1	---	12.0	7.9
1939	88.3	12.8	-1.1	100.0	80.1	---	13.3	6.6
1940	91.2	12.6	-3.8	100.0	81.3	---	13.7	5.0
1941	88.9	14.6	-3.5	100.0	77.7	1.6	16.1	4.6
1942	94.1	9.6	-3.7	100.0	72.9	5.2	16.2	5.7
1943	84.8	9.9	5.3	100.0	68.6	8.0	15.2	8.2
1944	89.7	10.5	-.2	100.0	67.1	11.3	14.2	7.4
1945	86.4	10.6	3.0	100.0	67.9	10.5	13.8	7.8
1946	87.0	11.0	2.0	100.0	73.6	2.7	13.8	9.9
1947	86.8	10.8	2.4	100.0	74.7	2.9	13.3	9.1
1948	96.2	12.2	-8.4	100.0	75.2	3.5	14.1	7.2
1949	91.4	11.6	-3.0	100.0	75.4	3.5	12.3	8.8
1950	87.3	12.4	.3	100.0	75.2	1.7	14.2	8.9
1951	85.4	11.6	3.0	100.0	72.7	3.4	13.3	10.6
1952	91.6	11.6	-3.2	100.0	75.8	2.5	12.5	9.2
1953	92.9	12.0	-4.9	100.0	77.0	2.3	12.7	8.0
1954	93.5	10.6	-4.1	100.0	77.5	2.0	11.6	8.9
1955	93.0	11.0	-4.0	100.0	77.1	1.7	11.9	9.3
1956	90.1	10.8	-.9	100.0	75.3	1.6	11.5	11.6
1957	88.4	10.7	.9	100.0	75.0	1.4	10.7	12.9
1958	93.2	11.4	-4.6	100.0	76.6	1.5	10.8	11.1
1959	89.4	12.7	-2.1	100.0	76.1	1.4	11.3	11.2
1960	90.5	11.6	-2.1	100.0	74.4	1.2	10.6	13.8
1961	87.8	12.1	.1	100.0	74.5	1.4	10.5	13.6
1962	88.7	12.3	-1.0	100.0	74.7	1.4	10.7	13.2
1963	89.3	12.0	-1.3	100.0	74.3	1.4	10.2	14.1
1964 8/	86.4	10.5	3.1	100.0	73.1	1.4	10.1	15.4

1/ Quantities weighted by average farm prices in 1957-59; prior to 1955, quantities are weighted using 1947-49 average farm prices but "linked" to the 1957-59 base period at 1955; nondomestic items at import price. Use of farm products allocated on the basis of value of processed products. See Measuring the Supply and Utilization of Farm Commodities, Agriculture Handbook No. 91, 1955 for basic methodology. On 50-State basis for 1962 and 1963. Net concept excludes domestic use of feed and seed to avoid double counting. 2/ Includes inshipments from Alaska and Hawaii prior to 1962 and U. S. Territories for all years. 3/ Includes farm and commercial stocks and holdings under Government programs. Negatives indicate increases in stocks from beginning to end of year; positives signify withdrawals from stocks. 4/ Includes civilian feeding in areas occupied by U. S. Armed Forces. 5/ Excludes feed and seed; includes some waste and loss at the farm. 6/ Includes shipments to Alaska and Hawaii prior to 1962 and shipments to U. S. territories for all years. 7/ Less than 0.05 percent. 8/ Preliminary.

domestic civilian food. Another 1 or 2 percent is used for military food. Nonfood farm products and nonfood uses of food products together normally account for another tenth of the total, and exports account for the balance. U. S. exports last year were record large and took a record share of total U. S. farm products--15 percent. In 1947-49, this proportion was only 8 percent. The export figures include both food and nonfood products; wheat (including flour) was the most important export last year.

No major changes from the above proportions are foreseen for 1965. Imports are expected to provide about the same proportion of total supply as in 1964, and exports are expected to provide a market about as large as the proportion last year.

Processor Output Larger

The quantity of production by food manufacturers rose about 3 percent in 1964 (11-month rate) compared with a rise of over 6 percent by all industries. Beverage (including alcoholic beverages) manufacturers increased production about 4½ percent (10-month rate). Plant shipments rose about in line with production. By the end of November, the value of inventories held by food and kindred product manufacturers was half of 1 percent below that of a year earlier. Wholesale prices of processed foods in the fourth quarter also were lower by half of 1 percent compared with a year earlier so quantity of inventory was about unchanged.

Demand for Food Strong

An unusually strong advance in after-tax consumer incomes last year, 7 percent, contributed to the rapid, 5-percent expansion in food expenditures. Usually, food expenditures rise about two-thirds as fast as disposable income. The 1964 rise was the most rapid one since 1951. Contributing to the rise in food expenditures were: A 1-percent gain in per capita food consumption, a 1½ percent rise in population, a 1 percent rise in retail food prices, and further increases in prices and quantity of marketing services. As usual, sales by eating and drinking places increased faster than did sales by retail food stores so part of the expenditure rise reflects purchasing more food services with the food.

The strong advance in incomes last year was led by increased employment and wages, lower Federal income tax withholding rates, and record dividend payout. Sharp increases took place in plant and equipment investment. Government spending increased by more than Government receipts; most of the increase in spending was at State and local levels.

Gains were recorded in cash receipts from farm products last year, but increased farm expenses about matched the gains. Government payments to farmers increased enough to hold realized net farm income at around year-earlier levels. Prices received by farmers averaged more than 2 percent lower

than in 1963 and total farm output was slightly lower. Income of farm people from nonfarm sources was larger and the number of persons on farms decreased, so per capita disposable personal income of persons on farms increased 2 percent last year to $1,405 per capita. It compared with a 6-percent increase to $2,318 per capita for the nonfarm population.

Advertising is one way of influencing the demands for foods and other products. Internal Revenue Service reported that advertising expenditures by all industrial corporations in 1960-61 totaled $9.3 billion, of which $1.4 billion was spent by food and kindred product, food wholesaling, and food retailing corporations; another $0.4 billion was spent by corporate beverage manufacturers. Farmers' organizations spent an additional $0.1 billion for advertising agricultural products.

FOOD EXPENDITURES

Food expenditures, including the military, in 1964 totaled $80 billion, a record high and $4 billion above 1963 (table 4). The rate of increase, amounting to 5 percent, was unusually large compared with recent years and was nearly twice that of 1963. This year, food expenditures again are expected to rise but more in line with the gain in 1963 than that of 1964. Food expenditures do not include those for alcoholic beverages ($12 billion in 1964) but do include expenditures for nonalcoholic beverages.

The substantial increase in per capita food consumption contributed to the expenditures gain. Particularly important was the 6-percent spurt in beef consumption per capita, about half of which was absorbed by the beef buying program of the Government. Prices of beef in retail food stores averaged about 3 percent lower than a year earlier, so total expenditures for beef probably increased. (Note: Food expenditures are not reported on a commodity basis.)

Food expenditures last year accounted for close to half of all expenditures for nondurable goods, and about a fifth of expenditures for all goods and services. Expenditures for food exceeded expenditures for any other single item such as housing or transportation. In fact, food expenditures were greater than those for all durable goods combined. Food expenditures accounted for 18.5 percent of after-tax income in 1964. The percentage is expected to drop slightly this year as it has for several years. Though food expenditures are expected to increase, the increase likely will not match the proportionate gain in income.

Food expenditures in fourth quarter 1964 increased only slightly from the third quarter rate, on a seasonally adjusted basis. But, fourth quarter expenditures exceeded those a year earlier by 6 percent. The largest gains in expenditures during the year took place in the first and third quarters, when increases amounted to around $2 billion a quarter.

Table 4 .--Personal consumption expenditures for food and alcoholic beverages, 1929-64

Year	Food and alcoholic beverages						Food	
	Purchased for off-premise consumption	Purchased meals and beverages 1/	Food furnished commercial and Government employees 2/	Produced and consumed on farms	Total	Alcoholic beverages	Expenditures	Change from previous year
	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Pct.
1929	14,777	2,911	257	1,590	19,535	0	19,535	---
1930	13,500	2,788	245	1,431	17,964	0	17,964	-8.0
1931	10,833	2,541	198	1,159	14,731	0	14,731	-18.0
1932	8,203	2,102	160	917	11,382	0	11,382	-22.7
1933	8,626	1,816	155	927	11,524	665	10,859	-4.6
1934	10,757	2,248	185	992	14,182	2,000	12,182	+12.2
1935	12,150	2,610	214	1,213	16,187	2,555	13,632	+11.9
1936	13,929	2,985	236	1,270	18,420	3,175	15,245	+11.8
1937	14,792	3,528	271	1,288	19,879	3,465	16,414	+7.7
1938	14,082	3,392	247	1,167	18,888	3,270	15,618	-4.8
1939	14,163	3,633	254	1,114	19,164	3,420	15,744	+.8
1940	14,954	3,974	278	1,134	20,340	3,600	16,740	+6.3
1941	17,089	4,738	470	1,336	23,633	4,185	19,448	+16.2
1942	20,328	5,865	933	1,661	28,787	5,080	23,707	+21.9
1943	22,586	7,392	1,677	2,021	33,676	5,840	27,836	+17.4
1944	24,503	8,472	2,398	2,043	37,416	6,775	30,641	+10.1
1945	26,689	10,063	2,753	2,096	41,601	7,485	34,116	+11.3
1946	33,332	11,709	1,349	2,628	49,018	8,360	40,658	+19.2
1947	38,677	11,939	1,023	2,766	54,405	8,620	45,785	+12.6
1948	40,312	11,996	1,021	2,732	56,061	7,900	48,161	+5.2
1949	39,198	11,686	1,000	2,228	54,112	7,680	46,432	-3.6
1950	40,351	11,749	1,076	2,062	55,238	7,790	47,448	+2.2
1951	44,610	12,936	1,632	2,329	61,507	8,060	53,447	+12.6
1952	46,935	13,419	1,769	2,246	64,369	8,530	55,839	+4.5
1953	47,834	13,722	1,650	2,035	65,241	8,610	56,631	+1.4
1954	49,145	13,766	1,478	1,824	66,213	8,500	57,713	+1.9
1955	50,591	14,371	1,292	1,688	67,942	8,700	59,242	+2.6
1956	53,308	15,062	1,198	1,666	71,234	8,990	62,244	+5.1
1957	55,852	15,596	1,218	1,658	74,324	9,140	65,184	+4.7
1958	58,212	15,694	1,244	1,449	76,599	9,210	67,389	+3.4
1959	58,759	16,456	1,210	1,254	77,679	9,605	68,074	+1.0
1960	60,029	17,054	1,236	1,181	79,500	9,840	69,660	+2.3
1961	61,501	17,357	1,299	1,105	81,262	10,215	71,047	+2.0
1962	64,007	18,236	1,347	1,007	84,597	10,665	73,932	+4.1
1963	65,843	18,963	1,342	949	87,097	11,080	76,017	+2.8
1964 3/	---	---	---	---	91,550	11,550	80,000	+5.2

1/ Comprises purchases of meals and beverages from retail, service and amusement establishments, hotels, dining and buffet cars, schools, school fraternities, institutions, clubs, and industrial lunchrooms, including tips. 2/ Food served to the military and employees of hospitals, State prisons, hotels and other commercial food service establishments, and firms engaged in water transportation. 3/ Preliminary data from 1965 Economic Report of the President and January 1965 Survey of Current Business.

Source: Department of Commerce, July issues of Survey of Current Business, early years in U. S. Income and Output, 1958 and National Income, 1954.

Sales by retail food stores totaled $62 billion last year; of this, $56 billion were sales by grocery stores and $6 billion by specialty and general food stores. Food store sales include sales of nonfood as well as food items. An estimated 23.5 percent of total 1963 sales by grocery stores were nonfood items such as household supplies, pet foods, tobacco products, health and beauty aids, and alcoholic beverages (National Food Situation, November 1964, p. 16). Using this rate for grocery stores and half this rate for other food stores, food sales by all retail food stores in 1964 are estimated at roughly $48 billion.

Since food expenditures totaled $80 billion, somewhere around $32 billion or 40 percent of the total was spent for food in other than retail food stores in 1964. It includes food sales by nonfood stores, food sales by restaurants and other away-from-home eating places, and food served in hospitals and other institutions. Also, it includes an allowance for food served to certain commercial and Government employees and for home-produced food consumed on farms; these items totaled around $2 billion in 1963 (table 4). Sales of all items by eating and drinking places totaled $19 billion in 1964; of this, eating places accounted for about $13 billion.

Sales by retail food stores in 1964 increased 5 percent over 1963, about double the year-earlier gain. Sales by eating and drinking places rose 7 percent during the year. Sales by all retail stores increased 6 percent in 1964, the same as those for durable-goods stores and for nondurable-goods stores as a group.

RETAIL PRICES AND CONSUMPTION OF FOOD

Retail food prices averaged about 1.2 percent higher in 1964 than in 1963 despite a 2.2 percent increase in total food consumption. The increase in food consumption averaged 0.8 percent per capita (fig. 1 and table 2). 1/ Price increases took place mostly among foods from crops, such as fruits and vegetables, coffee, and potatoes (cover chart and table 10). Per capita consumption of food from crop products remained about steady. Consumption of meat and other animal products increased about 1½ percent per capita; retail prices declined for most animal products.

1/ Food consumption data are combined using constant retail prices in a base period -- 1957-59 prices since 1955 and 1947-49 prices in prior years. These data recently have been revised, as explained in a special article of the November 1964 National Food Situation (pp. 22-27). A forthcoming report will explain the revision in detail and contain annual per capita consumption data beginning with 1909.

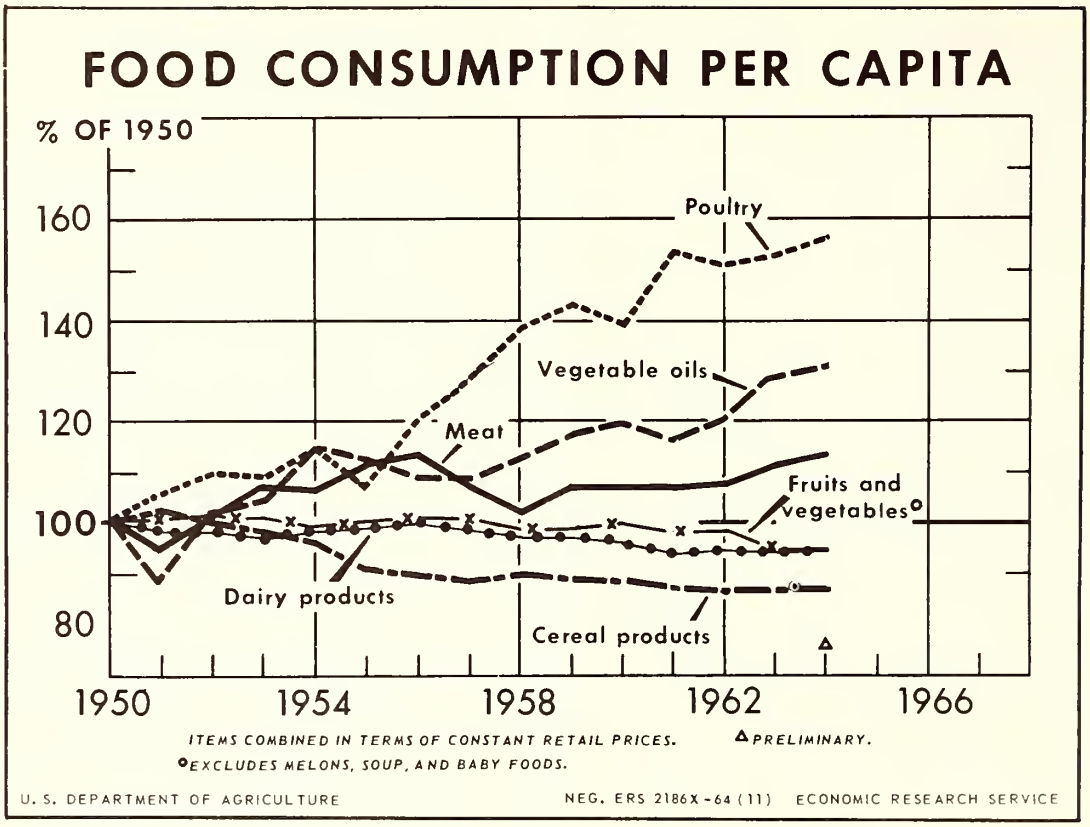

Figure 1

A further increase in food consumption is anticipated this year. However, the increase is expected to be more moderate than in 1964; it probably will about match the expected population growth of about 1½ percent. Selective retail food price increases are anticipated, though on the average, retail prices probably will remain about equal to prices in 1964. Price pressures that developed last year on a number of food crops—such as potatoes, certain fresh fruits and vegetables, and coffee--are not expected to be repeated in 1965. During the fourth quarter of 1964, wholesale prices of farm products averaged 1½ percent below a year earlier, and wholesale prices of processed foods were down by half of 1 percent.

Animal Products

The 1964 increase in per capita consumption of animal products was due largely to a 6-percent increase in per capita consumption of beef (table 5). This gain in beef consumption took place with only a 3-percent decline in average retail prices, thanks partly to the Government beef-buying program. U. S. consumption of beef averaged 100 pounds per person last year, measured in carcass weight, and another 5 pounds of veal. A more modest gain in per capita consumption of beef is expected this year; little change in the average retail price is anticipated.

The United States consumed slightly less pork and considerably less lamb per capita last year than in 1963. Retail prices responded to the reduced

Table 5 .—Civilian per capita consumption of major food commodities, primary distribution weight, and civilian population, selected periods 1947-64 1/

Commodity	Average 1947-49	Average 1957-59	1961	1962	1963	1964 Preliminary	1964 as a percentage of 1947-49	1964 as a percentage of 1957-59	1964 as a percentage of 1963
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent
Meats (carcass weight) - Total	148.5	156.6	160.5	163.1	169.3	174.0	117	111	103
Beef	65.6	82.1	87.8	88.8	94.2	99.7	152	121	106
Veal	9.7	7.1	5.6	5.5	4.9	5.2	54	73	106
Lamb and mutton	4.8	4.4	5.1	5.2	4.9	4.2	88	95	86
Pork (excluding lard)	68.4	63.0	62.0	63.6	65.3	64.9	95	103	99
Fish (edible weight) - Total	10.7	10.6	10.7	10.6	10.6	10.6	99	100	100
Fresh and frozen	5.9	5.7	5.9	5.8	5.7	2/	---	---	---
Canned 3/	4.2	4.3	4.3	4.3	4.4	2/	---	---	---
Cured	.6	.6	.5	.5	.5	2/	---	---	---
Poultry products									
Eggs (farm basis) - Number	385	356	326	323	315	314	82	88	100
Chicken (ready-to-cook)	18.7	27.5	30.2	30.0	30.9	31.4	168	114	102
Turkey (ready-to-cook)	3.3	6.0	7.4	7.0	6.7	7.2	218	120	107
Dairy products									
Total milk fat solids	29.5	25.6	23.9	23.8	23.3	23.0	78	90	99
Total nonfat milk solids	42.9	43.8	42.5	42.4	41.6	41.7	97	95	100
Cheese	7.0	7.9	8.5	9.1	9.2	9.3	133	118	101
Condensed and evaporated milk	20.1	14.8	13.2	12.5	11.7	11.5	57	78	98
Fluid milk and cream	359	335	310	308	308	306	85	91	99
Ice cream (product weight)	18.7	18.4	18.0	17.9	18.0	18.0	96	98	100
Fats and oils - Total, fat content 4/	42.4	45.3	45.1	45.7	46.9	47.0	111	104	100
Butter (actual weight)	10.6	8.2	7.4	7.3	6.9	6.7	63	82	97
Margarine (actual weight)	5.6	8.9	9.4	9.3	9.3	9.7	173	109	104
Lard	12.4	9.3	7.7	7.2	6.4	6.3	51	68	98
Shortening	9.6	11.4	12.8	13.4	13.3	13.7	143	120	103
Other edible fats and oils	7.3	10.8	11.2	11.7	14.1	13.7	188	127	97
Fruits									
Fresh (farm weight) - Total	132.1	98.8	91.7	88.7	80.3	89.4	68	90	111
Citrus	54.8	33.5	30.2	28.9	22.1	25.9	47	77	117
Apples (commercial)	25.5	21.6	18.5	19.4	18.4	21.8	85	101	118
Other (excluding melons)	51.8	43.7	43.0	40.4	39.8	41.7	81	95	105
Processed:									
Canned fruit	18.9	22.5	23.4	22.9	23.1	23.0	122	102	100
Canned juice	15.9	13.8	13.0	13.0	14.4	13.0	82	94	90
Frozen (including juices)	3.2	8.6	8.8	9.7	8.0	7.3	228	85	91
Dried	3.9	3.3	3.1	3.0	3.0	3.2	82	97	107
Vegetables									
Fresh 5/	120.5	104.3	104.9	102.8	102.9	99.1	82	95	96
Canned, excluding potatoes and sweetpotatoes	38.5	43.0	43.0	44.4	45.1	43.8	114	102	97
Frozen, excluding potatoes	2.8	6.6	7.1	7.7	7.4	7.5	268	114	101
Potatoes and sweetpotatoes									
Potatoes, fresh equivalent 6/	113.8	106.8	109.3	108.1	112.1	109.1	96	102	97
Frozen potatoes, product weight	7/	1.6	2.8	3.9	4.5	4.6	---	288	102
Sweetpotatoes, fresh equivalent 6/	13.0	8.3	6.7	7.6	7.1	6.6	51	80	93
Dry edible beans	6.7	7.7	8.0	7.8	7.5	7.2	107	94	96
Melons	27.4	25.1	24.7	23.2	24.7	23.3	85	93	94
Sugar (refined)	95.2	96.1	97.7	97.2	96.1	95.7	101	100	100
Grains									
Corn products: Cornmeal and other 8/	19.0	14.3	13.8	13.6	13.5	13.4	71	94	99
Corn sirup and sugar	14.1	13.0	14.3	15.4	16.9	17.9	127	138	106
Oat food products	3.3	3.5	3.5	3.5	3.5	3.5	106	100	100
Barley food products 9/	1.6	1.0	1.0	1.0	1.0	1.0	62	100	100
Wheat: Flour 10/	137	120	118	115	116	116	85	97	100
Breakfast cereals	3.2	2.8	2.7	2.6	2.6	2.6	81	93	100
Rye flour	1.4	1.2	1.1	1.1	1.1	1.1	79	92	100
Rice, milled	4.9	5.4	6.2	7.4	6.6	6.8	139	126	103
Other									
Coffee (green beans)	18.2	15.7	15.8	15.9	15.7	15.6	86	99	99
Tea	.58	.60	.60	.66	.67	.69	119	115	103
Cocoa beans	4.0	3.5	3.9	3.8	3.9	3.8	95	109	97
Peanuts (shelled)	4.4	4.6	4.9	4.9	5.0	5.1	116	111	102
	Million	Million	Million	Million	Million	Million			
Civilian population 11/	145.1	171.5	181.2	183.8	186.6	189.3	130	110	101

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis; fresh citrus fruits, and peanuts on a crop year basis and rice on August 1 year. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice, which begins in August of previous year. 2/ Not available. 3/ Excludes canned food products containing small quantities of fish, such as clam chowder. 4/ Computed from unrounded data. 5/ Covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 6/ Includes quantities canned and frozen. 7/ Less than 0.05 pound. 8/ Includes cornstarch, breakfast cereals, and hominy. 9/ Barley used for food products in terms of malt equivalent. 10/ Includes white, whole wheat, and semolina flour. 11/ Census estimates of July 1 civilian population (50 States beginning 1961). Used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

supply of lamb by rising significantly, but pork prices averaged about the same as in 1963. Per capita consumption of both pork and lamb is expected to decline again in 1965, and some price increases are likely. Consumption of total red meat is expected to decline 3 or 4 pounds per person due to the sizable drop expected in pork consumption.

Turkey consumption rose a hefty 7 percent per capita last year. Retail prices, reported for the first time last year by Bureau of Labor Statistics, weakened only slightly through the year. Chicken consumption increased half a pound per capita in 1964; prices averaged about 2 percent lower. Further gains are expected this year in both chicken and turkey consumption. Egg consumption per capita last year was nearly equal to that of 1963, and prices receded slightly. This year, per capita egg consumption may rise for the first time in over a decade. Retail prices are expected to decline substantially.

Average retail prices of dairy products rose about 1 percent last year but per capita consumption declined about the same amount. Declines in consumption were noted for butter, evaporated whole milk, and fluid cream. They were offset by increases for low-fat fluid milk, cheese, and cottage cheese. A small decline in per capita consumption is anticipated this year.

Per capita consumption of food fats and oils remained about the same in 1964 as a year earlier, and in 1965 are expected to stay around the same level of 47 pounds, fat content. Shifts from consumption of animal fats to vegetable oils continued last year, in keeping with long-term trends, and are expected to continue again this year. Less butter and lard but more margarine and shortening are in prospect. Retail prices declined slightly last year but may inch upward this year.

Foods from Crops

Supplies of most fruits -- both fresh and processed — are expected to be substantially larger during the first half of 1965 than during the same months of 1964. As a result, retail prices probably will average slightly lower for most fruits. The current crop of oranges and grapefruit is sharply larger than that of the 2 previous years. The increase represents a return from depressed production levels caused by the severe freeze damage of 2 years ago. However, lemon production is below that of last year. Canned fruit stocks on January 1 were almost a fourth larger than a year earlier. Peaches, fruit cocktail, pears, applesauce, and apricots were in much larger supply. Supplies of juices in late January also were larger, particularly for citrus. Some price declines already have occurred and more are in prospect.

Relatively large fresh vegetable supplies are expected to be marketed in February-March, barring bad weather. Prices at that time probably will be lower than a year earlier, when reduced supplies sent some prices skyrocketing. Canned and frozen vegetable supplies at the beginning of the year were moderately lower than a year earlier, due to reduced packs last season, so small price advances can be anticipated for many items this winter and spring.

Potato supplies on January 1 were much below year-earlier levels because of sharply reduced production last fall. As a result, retail prices are well above year-earlier levels. Since relatively few potatoes are grown during winter and early spring months, prices are expected to remain high at least into late spring. Early indications suggest increased plantings for that period. Production later in the year likely will exceed 1964 if more normal weather occurs in 1965 than last year. Decreased production last year was due to a cut in yields; acreage was about the same as a year earlier.

Consumption of wheat flour last year is estimated at 116 pounds per capita, the same as a year earlier but down from 120 pounds in 1957-59. No estimate of bread consumption is available. Retail prices of cereal and bakery products advanced during the second half of the year, following about 1½ years of relative stability for both wholesale and retail prices (table 10). Prices are expected to continue trending gradually upward this year. Among food products from other grains, corn sirup and corn sugar consumption has increased significantly in recent years. Rice is another cereal that has shown a consumption increase, but consumption of most other products has remained fairly constant.

Per capita consumption of coffee decreased only slightly last year despite a 20 percent rise in average retail prices. The price rise that continued until about midyear was triggered by expectations for a sharply reduced Brazilian crop. Improved prospects for the coming crop in recent months have led to some slide in wholesale prices and in futures markets. These declines are expected to be reflected at retail in coming months.

FOREIGN TRADE

U. S. exports of agricultural products in calendar year 1964 are estimated at over $6.2 billion, up 12 percent from 1963 (table 6). Nearly all major categories of food products except vegetables participated in the export gain. The largest increase in value occurred for wheat and flour, which accounted for nearly a quarter of the total value of exports. But, a larger percentage increase took place in exports of animal products. Dairy products and fats and oils each experienced substantial export gains. Most of the year-to-year increase in exports was for commercial sales; government-assisted exports remained about the same as in 1963, at around $1.6 billion. This year, exports of agricultural products are expected to remain near the 1964 level.

Agricultural exports totaled about $3.1 billion in each half of 1964. Although wheat exports in the second half were down by 17 percent from the first half, exports of oilseeds and products rose 36 percent. The value of exports in July-December 1964 were an estimated 7 percent larger than in July-December 1963 compared with an 18 percent increase between the first halves. Wheat exports in the second half of 1964 were about steady with the same year-earlier period.

The value of total U. S. imports of agricultural products was 4 percent larger in January-November 1964 than in the same months of 1963. The value of coffee imports increased by a fourth due entirely to an increase in prices, as volume declined about 4 percent. The gain for coffee was nearly offset by the decline in value of imports of sugar -- due to a price drop. The value of meat and meat product imports declined by 25 percent. For the year, the total value of imports is estimated at around $4 billion and no significant change is foreseen for this year.

Table 6 .--U.S. agricultural exports: Value by commodity, calendar years, 1963 and 1964

Commodity	1963	1964 1/	Change
	Mil.dol.	Mil.dol.	Percent
Animals and animal products:			
Dairy products 2/	182	223	+23
Fats, oils, and greases	172	252	+47
Hides and skins	75	94	+25
Meats and meat products	100	121	+21
Poultry products	75	74	-1
Other	73	74	+1
Total animals, etc. 2/	677	838	+24
Cotton, excluding linters	577	650	+13
Fruits and preparations	276	278	+1
Grains and preparations:			
Feed grains, excluding products	794	847	+7
Rice, milled	178	207	+16
Wheat and flour	1,330	1,527	+15
Other	71	63	-11
Total grains, etc.	2,373	2,644	+11
Oilseeds and products:			
Cottonseed and soybean oils 3/	165	187	+13
Soybeans	472	574	+22
Protein meal	125	144	+15
Other	54	77	+43
Total oilseeds, etc. 3/	816	982	+20
Tobacco, unmanufactured	403	400	-1
Vegetables and preparations	173	157	-9
Other	289	301	+4
Total agricultural exports	5,584	6,250	+12

1/ Partly estimated.

2/ Excludes Title III,P.L. 480 donations of butter and ghee, which are included in "Other" agricultural exports.

3/ Excludes Title III, P.L. 480 donations, which are included in "Other" agricultural exports.

WORLD FOOD SITUATION 1/

Situation for 1964/65

World food production in 1964/65 2/ is expected to increase about 2 percent over the previous year. This is about the same rate as the population growth, so per capita availabilities will remain about the same as last year.

Harvests in 1964 set world records for wheat, barley, sugar beets, sugarcane, soybeans, peanuts, cocoa beans, and tea (table 7). The rice harvest probably will also set a record. But the harvests were smaller than a year earlier for corn, oats, potatoes, beans, olive oil, and rapeseed.

World output of livestock products changed very little in 1964 from the year before. Milk production was about the same, production of meat and lard was down a little, tallow and wool increased slightly. Meat and lard output is expected to gain sharply in the first half of 1965.

The most striking farm production gains in the current season are in the Soviet Union and Mainland China. The USSR more than recovered from the sharp drop in production during the past season. This recovery was due in large part to an increased grain harvest more than compensating for a decline in livestock production.

Output of Canadian crops and livestock continued at high levels, despite a drop of 17 percent in wheat production. Food production in Latin America is estimated at the 1963/64 level; sugar, root crops and dairy output increased, while grain, meat, beans, and vegetable oils decreased.

Good weather and advancing technology led to record food production in Western Europe in 1964. Yields per acre and total production of grain reached new highs.

Africa is the only less developed region that increased food production enough to raise output per capita. This came from substantial gains in the Republic of South Africa and modest increases in several other countries of Southern Africa. In Northern Africa, per capita gains in UAR and Libya were more than offset by declines in Algeria and Morocco.

Per capita food output in the Far East, excluding Mainland China, went down 2 percent from a year earlier. Declines in such countries as India, and Pakistan more than offset gains in countries such as Japan, South Korea, and

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1/ Prepared by the Foreign Regional Analysis Division, Economic Research Service. For more details, see The World Food Budget, 1970, Foreign Agric. Econ. Rpt. 19 and The 1965 World Agricultural Situation, Foreign Agric. Econ. Rpt. No. 22, and its Hemisphere Supplements.

2/ Production in the Northern Hemisphere during 1964 and in the Southern Hemisphere in the second half of 1964 and the first half of 1965.

Table 7.--Estimated world production of selected agricultural commodities, average 1955/56-1959/60, annual 1961/62 - 1964/65

Commodity	Unit	Average 1955/56-1959/60	1961/62	1962/63	1963/64 1/	1964/65 1/	Percentage change 1964/65 over 1963/64
Wheat	Mil. bushel	7,965	7,880	8,760	8,335	9,170	10
Rye	do	1,440	1,340	1,245	1,185	1,225	3
Rice, rough 2/	Mil. M.T.	132	153	151	163	164	1
Corn	Mil. bushel	6,480	7,460	7,510	8,055	7,755	-4
Barley	do	3,255	3,455	3,910	4,070	4,210	3
Oats	do	4,080	3,410	3,375	3,200	2,970	-7
Molasses, industrial	Mil. gallon	2,440	2,942	2,831	2,994	3,000	0
Sugar, centrifugal 3/	Mil. s.t.	49.7	57.1	54.9	59.3	65.5	10
Sugar, non-centrifugal	do	7.3	6.8	6.9	7.8	7.7	-1
Fruits, citrus	do	4/ 16.0	18.4	16.7	18.0	18.0	0
Apples and pears 5/	Mil. bushel	603	684	768	794	800	1
Prunes 6/	Thou. s.t.	197	213	217	187	237	27
Raisins 6/	do	515	567	569	556	560	1
Walnuts, unshelled 6/	do	150	144	182	170	174	2
Filberts, unshelled 6/	do	164	163	175	181	238	31
Almonds, shelled 6/	do	92.6	156	101	124	131	6
Potatoes 7/	Mil. cwt.	5,303	5,304	4,784	5,263	4,964	-6
Dry beans 8/	do	88.5	101	99.6	111	99.6	-10
Dry peas 9/	do	13.3	10.6	12.9	12.8	13.4	5
Hops 10/	Mil. pounds	157	150	177	203	195	-4
Soybeans	Mil. bushel	894	1,047	1,031	1,063	1,088	2
Peanuts	Mil. s.t.	14.6	15.1	15.8	16.4	17.6	7
Flaxseed	Mil. bushel	132	117	134	128	116	-9
Cottonseed	Mil. s.t.	21.2	22.1	23.2	24.0	24.9	4
Sesame seed	Thou. s.t.	1,612	1,668	1,673	1,627	1,656	2
Castor beans	do	548	616	654	667	741	11
Sunflower seed	do	5,654	7,085	7,455	6,599	7,240	10
Rapeseed	do	3,839	4,185	4,117	3,807	3,735	-2
Olive oil	do	11/1,092	1,451	1,034	1,825	1,200	-34
Palm oil	do	1,394	1,410	1,365	1,390	1,395	0
Palm kernel oil	do	447	440	405	410	420	2
Coconut oil	do	2,286	2,395	2,325	2,445	2,410	-2
Butter 12/	do	4/ 4,955	5,300	5,400	5,275	5,300	0
Meats 13/	Mil. cwt.	4/ 972	1,043	1,089	1,130	1,140	1
Milk 14/	do	4/ 5,807	6,150	6,257	6,221	6,222	0
Eggs 15/	Billion	4/ 196	215	219	220	222	1
Lard	Mil. pounds	4/ 6,780	7,090	7,150	7,150	6,960	-3
Tallow and greases	do	4/ 6,460	7,280	7,290	7,890	8,480	7
Tobacco	Mil. pounds	8,518	7,723	8,679	9,520	9,727	2
Coffee	Mil. bags 16/	58.4	72.0	67.7	68.1	51.9	-24
Tea	Mil. pounds	1,909	2,231	2,258	2,271	2,326	2
Cocoa	Thou. M.T.	886	1,129	1,157	1,233	1,270	3
Pepper, black & white 17/	Mil. pounds	144	151	147	165	174	5
Cotton	Mil. bales 18/	43.7	45.1	47.7	50.2	51.8	3
Jute	Mil. pounds	4,400	5,500	5,052	5,005	5,095	2
Sisal	do	1,173	1,313	1,405	1,440	1,446	0
Henequen	do	298	376	369	330	362	10
Abaca	do	259	194	222	260	254	-2

Note: Revised January 1965. Data are largely from World Summaries issued on individual crops but some have been revised to include latest estimates. For tobacco, fats, oils (except olive oil) and oilseeds, milk, livestock products, tea and hard fibers, the data relate to the calendar year of the first year shown; for other commodities, harvests in northern countries in the first year shown are combined with those in the Southern Hemisphere which immediately follow.

1/ Preliminary. 2/ Excludes Communist Asia and U.S.S.R. 3/ Selected countries only. 4/ 1956-60 average. 5/ Dessert and cooking, 20 countries. 6/ Commercial crop only. 7/ 32 countries. 8/ 30 countries. 9/ 19 countries. 10/ 24 countries. 11/ 1954/55-1957/58 average. 12/ Product weight; includes ghee. 13/ 44 countries; excludes poultry and variety meats. 14/ 36 countries. 15/ 32 countries. 16/ 60 kg. bags of 132 pounds. 17/ Major exporting countries only. 18/ 480 pound net bale.

Foreign Agricultural Service.

Taiwan. In West Asia, per capita output dropped 3 percent, due largely to reduced grain harvests in Iran and Turkey.

A major food crisis confronted India in 1964. A rapid population growth rate combined with static food production so far in the 1960's resulted in widespread shortages and rapidly rising prices for food grains beginning early in the calendar year. Emergency measures were taken by the government to hold down prices, increase imports, and distribute available supplies more evenly. At the end of the year imported food grains were arriving in India in unprecedented volume, mostly coming from the United States under P. L. 480. Despite emergency measures by the government of India to relieve the food grain situation, the fundamental problems of expanding food production and limiting population growth have in no sense been overcome.

Crop prospects in Australia and New Zealand are good. Output of all agricultural products is estimated about 1½ percent above last season's record.

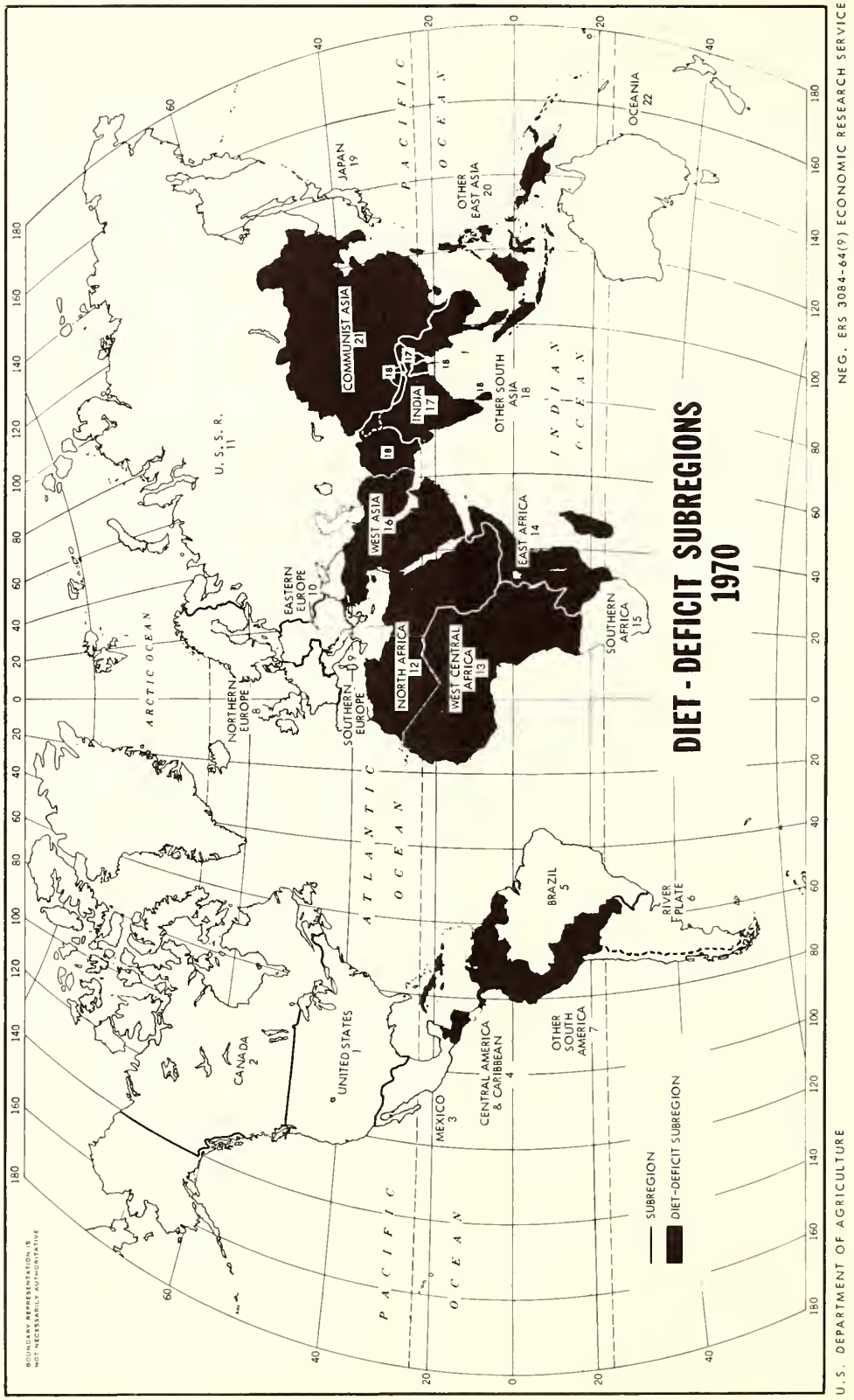
World stocks of most commodities other than dairy products and grain are at levels near or above the average of recent years. Stocks of butter and milk products, especially in exporting countries, have been reduced to low levels by rising demand and stable production, limiting exports in 1965 to availability from current output. The reduction in grain stocks, on the other hand, will not restrain trade, except possibly from Australia where the wheat carryover into the current season was very low.

Projected World Food Requirements, 1970

Per capita consumption of food is expected to make noticeable gains throughout the world during the 1960 decade, reflecting an increase not only in calorie intake but also an upgrading of the diet through greater consumption of food such as meat, dairy products, fruits, and vegetables.

Greatest diet improvements are indicated for the countries of Northern Europe, Southern Europe, USSR, and Japan. Most of these countries are experiencing rapid rises in income per capita and, though diets are adequate, significant changes are expected in the composition of their diets, reflecting less reliance upon the traditional food staples. Nevertheless, about 80 percent of the world's population will still be dependent upon high carbohydrate foods for over two-thirds of their total calorie consumption. In these countries,rapid increases in population, consistently low incomes, and continued failure of agricultural production to reach programmed goals give promise of little improvement in per capita consumption by 1970 (figure 2).

World consumption per capita is projected to increase for all but 3 food groups--wheat, other grains, and other starchy crops. However, substantial increases are indicated for the high carbohydrate food groups in the less developed subregions. There, consumption of rice and wheat is expected to advance most rapidly, reflecting continued reliance upon these basis food staples for the major source of food. On the other hand, consumption per capita is projected to decrease in the more developed subregions for all the


DIET - DEFICIT SUBREGIONS
1970
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CANADA 2
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MEXICO 3
CENTRAL AMERICA & CARIBBEAN 4
BRAZIL 5
RIVER PLATE 6
OTHER SOUTH AMERICA 7
NORTHERN EUROPE 8
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EASTERN EUROPE 10
NORTH AFRICA 12
WEST CENTRAL AFRICA 13
EAST AFRICA 14
SOUTHERN AFRICA 15
WEST ASIA 16
INDIA 17
OTHER SOUTH ASIA 18
JAPAN 19
OTHER EAST ASIA 20
COMMUNIST ASIA 21
OCEANIA 22

Figure 2

high carbohydrate foods except sugar. Even so, the increase in total rice consumption offsets the decrease in other grains, so some rise is projected in world per capita consumption of total grain products.

The greatest gains in per capita consumption are projected for high quality foods, reflecting a continued upgrading of the diet in most parts of the world. Vegetables and fruits are expected to be up as much as 16 percent over the 1959-61 average level. Significant but smaller advances are projected for meat, fish, and eggs, particularly in Southern Europe and Japan where the expected gains in per capita income will increase the effective demand for the more expensive foods. Projected increases in world consumption of fruits and vegetables and animal products are strongly influenced by the extremely low level to which consumption of these products in Communist Asia had fallen in 1959-61. Recovery to a more normal level is expected by 1970.

Converting the consumption of food into U. S. dollars by using 1959-61 world farm prices, the value of world food consumption is projected to increase by $42.8 billion, or 30 percent, from 1959-61 to 1970 (table 8). This increase is the combined effect of a larger population, increased per capita consumption of most food groups, and a relatively greater consumption of the more expensive foods such as fruits, vegetables, and animal products.

The volume of world food trade in 1970 is projected to increase 37 percent over the 1959-61 level, nearly double the rate of increase in world population. See figure 3 for the historical pattern. According to the projections: (a) The diet-adequate area will continue to dominate trade with its large basket of foods, but the area's position will shift from net imports to net exports; (b) the U. S. share of world food exports will increase from 16.5 percent to 18.8 percent while Northern Europe's share will drop; (c) Japan's share of world imports will increase considerably; (d) Northern Europe's share of world imports will drop; (e) food exports of the diet-deficit area 3/ will increase 31 percent, but food imports will increase 45 percent.

U. S. food exports, about 70 percent of total U. S. agricultural exports, averaged $3.2 billion in 1959-61. U. S. food exports are projected to increase to $4.8 billion by 1970. The largest increase is expected to occur in exports to the diet-deficit areas. Food exports to those areas are expected to increase 60 percent, while exports to diet-adequate regions are projected to increase 43 percent. The major part of U. S. food exports, however, will still go to diet-adequate areas, which took 61 percent of the total in 1959-61 and are expected to take 58 percent by 1970. Figure 4 shows U. S. trade to these areas in recent years.

3/ Those countries where average per capita consumption is below the minimum nutritional standard. This area includes all of Asia except Japan and Israel, all of Africa except the southern tip, the northern part of South America, and almost all of Central America and the Caribbean.

Table 8.--Value of food consumption, total and per capita, by subregion, average 1959-61 and projected 1970.

Subregion	Total food consumption 1/				Per capita food consumption		
	1959-61	1970	Change		1959-61	1970	Change
	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Pct.	U.S. dol.	U.S. dol.	Pct.
Western Hemisphere							
United States	19,644	23,412	3,768	19.2	109.2	112.6	3.1
Canada	1,862	2,411	549	29.5	104.0	105.2	1.2
Mexico	1,527	2,138	611	40.0	43.7	45.1	3.2
Central America and Caribbean	1,537	2,046	509	33.1	47.5	48.7	2.5
Brazil	3,919	5,721	1,802	46.0	55.5	59.8	7.7
River Plate	2,211	2,658	447	20.2	97.2	98.3	1.1
Other South America	2,547	3,750	1,203	47.2	49.4	55.3	11.9
Europe							
Northern Europe	19,683	22,679	2,996	15.2	93.2	100.2	7.5
Southern Europe	6,507	8,217	1,710	26.3	67.1	78.7	17.3
Eastern Europe	7,706	8,917	1,211	15.7	66.0	70.0	6.1
USSR	13,813	18,178	4,365	31.6	64.5	74.3	15.2
Africa and West Asia							
North Africa	3,006	4,065	1,059	35.2	35.4	38.6	9.0
West Central Africa	3,410	4,465	1,055	30.9	31.3	33.2	6.1
East Africa	1,985	2,643	658	33.1	40.9	43.3	5.9
Southern Africa	1,012	1,345	333	32.9	57.4	61.1	6.4
West Asia	3,363	4,454	1,091	32.4	42.4	44.1	4.0
Far East							
India	12,884	17,200	4,316	33.5	29.8	32.0	7.4
Other South Asia	4,456	5,821	1,365	30.6	35.3	35.8	1.4
Japan	4,768	6,390	1,622	34.0	51.2	62.5	22.1
Other East Asia	8,805	11,662	2,857	32.4	35.8	37.0	3.4
Communist Asia	16,765	25,640	8,875	52.9	23.5	30.3	28.9
Oceania	1,488	1,846	358	24.1	117.2	118.8	1.4
World	142,898	185,658	42,760	29.9	47.4	51.3	8.2

1/ U. S. dollars using 1959-61 average world export prices.

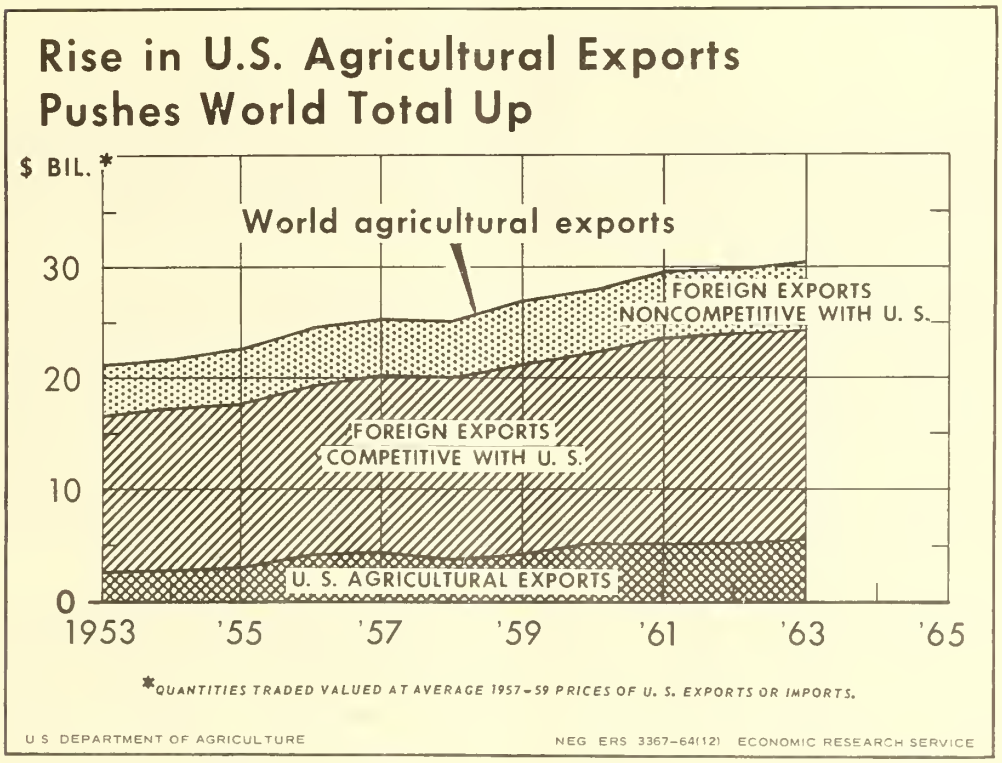

Figure 3

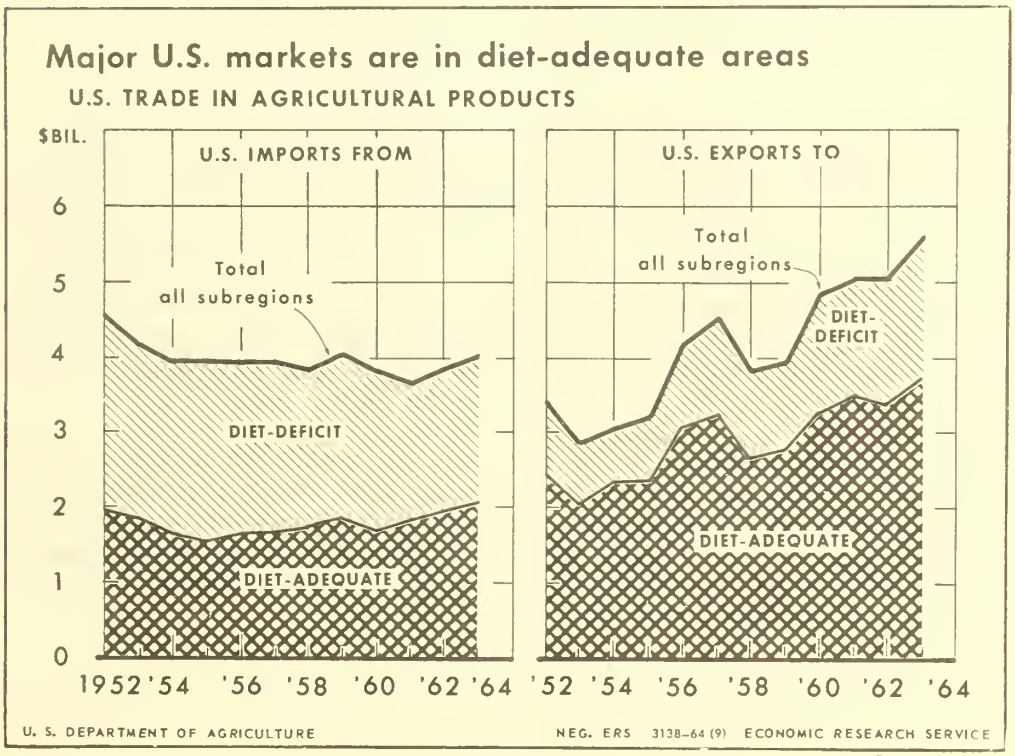

Figure 4

COMMODITY REVIEWS

Meat

Total red meat consumption per person in 1965 likely will average 3 to 4 pounds below the 174 pounds, carcass weight, consumed in 1964. Beef consumption is expected to average somewhat larger but lamb and mutton and pork consumption are expected to be smaller.

Beef consumption per capita in 1965 is expected to average 1 to 2 pounds above the 100 pound rate in 1964. This increase in consumption would be a relatively small increase compared with the 6-pound spurt last year. But, the level of consumption is high compared with the average of 82.1 pounds in 1957-59. Available supplies on a quarterly basis are not expected to differ much from the same periods in 1964. January-March consumption per person likely will be up a little more than a half-pound from the 24 pounds consumed in January-March 1964. April-June consumption is expected to nearly equal the almost 26 pounds of a year earlier.

Retail beef prices likely will be slightly above year-earlier levels during the first half of 1965. In 1964 prices declined an average of 3 percent, which was a rather small decline compared with the gain in per capita consumption. This comparison implies a further uptrend in demand for beef.

Veal consumption in the first and second quarters this year likely will average slightly above the first 6 months of 1964, when consumption averaged 2.3 pounds per person. Per capita consumption totaled 5.2 pounds last year. Retail veal prices probably will average about the same in the first 6 months of 1965 as in the same period of 1964.

Pork consumption is expected to be down about 5 pounds per person this year from the 65 pounds consumed in 1964 and down about 3 pounds from 1957-59. Pork supplies are expected to be smaller each quarter than in the correspounding quarter of 1964 because of anticipated cut-backs in production. The decrease likely will amount to about 1 pound per person each quarter, except in July-September when supplies are expected to be down even more from a year earlier. Somewhat higher retail pork prices than at the beginning of the year or a year earlier are expected throughout 1965. Last year's prices declined slightly despite about a half pound drop-off in per capita consumption.

Lamb and mutton consumption is expected to amount to about 4 pounds per person in 1965, compared with 4.2 pounds in 1964 and 4.9 pounds a year earlier. Consumption is expected to be slightly smaller each quarter than in 1964. Retail lamb prices likely will be higher throughout 1965 than in 1964. The increases over a year earlier likely will be somewhat larger in the second half than in the first half of the year.

Fishery Products 1/

The U. S. catch of edible fish and shellfish dropped again in 1964. There were sharp declines in the landings of Maine herring, shrimp, ocean perch, tuna, Jack mackerel, halibut, whiting, cod, and scallops. Landings were heavier for only a few of the major species. Supplies in 1964 gained, however, because larger frozen stocks were available as the year began and imports exceeded those of 1963. The rise in supplies of edible fish paralleled the rise in population, so per capita consumption held about steady at 10.6 pounds. Retail prices averaged a little lower in 1964 than the year before. But, prices of several shellfish and some finfish items strengthened as supplies fell short of market needs toward the end of the year. Shrimp, scallops, and lobster tail prices advanced markedly during the year.

Supplies are expected to be lighter in early 1965 than in 1964. The supply of shellfish likely will be much below consumer needs. Frozen stocks of edible fish and shellfish at the beginning of the year were down about 13 percent from a year earlier. The 1964 canned pack, in total, was about the same as in 1963. Distributors must draw heavily on cold storage holdings and canned inventories until landings turn up seasonally in the spring.

On the average, prices may edge up and be slightly higher early in 1965. Imports of edible fish and shellfish likely will continue their upward trend. No change is foreseen in the per capita consumption rate.

Poultry

Per capita consumption of chicken in 1964 reached a record high of 31.4 pounds, ready-to-cook weight, up half a pound from 1963. Commercial broilers made up 87 percent of the total. Turkey use per capita in 1964, at 7.2 pounds, compared with 6.7 pounds in 1963 and the record high of 7.4 pounds in 1961.

Some further gain in chicken and turkey production and consumption are likely in 1965. Per capita consumption of chicken probably will exceed 32 pounds and establish a record, and turkey use is expected to equal the 1961 record of 7.4 pounds. Much of the increase over 1964 in production and consumption of chicken and all of the increase for turkey likely will occur after midyear.

Retail prices for broilers and turkeys in January-June 1965 are likely to average about the same to a little higher than in this period

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1/ Prepared by the Bureau of Commercial Fisheries, Fish and Wildlife Service, U. S. Department of the Interior.

of 1964. In the second half of the year, slightly lower prices than a year earlier are in prospect.

Seasonally, broilers will be most plentiful in the second and third quarters and turkeys in the third and fourth quarters.

Eggs

Civilian per capita egg consumption has declined each year since 1951. However, there are signs that the downtrend is losing momentum. The current estimate for 1964 is 314 eggs compared with 315 in 1963 and the 1957-59 average of 356. This slowing in the downtrend in egg consumption last year apparently stemmed from larger production and lower prices. It did not seem to indicate any increase in per capita demand. Consumers tend to use all the eggs produced within a year. Since there is essentially no change in stocks of eggs carried over from year to year, nor in exports, annual production determines annual consumption; price rather than quantity is the variable that changes in the market-clearing process.

Of the 314 eggs per capita consumed in 1964, about 31 were in the form of processed products compared with only 27 in 1963. This increase resulted from greater USDA donations of dried egg and from greater use of egg products from commercial sources. Retail egg prices in 1964 averaged 53.9 cents per dozen compared with 55.1 cents a year earlier.

Egg production this year is expected to expand more than population, because of increases in layer numbers and in the rate of lay. The larger supplies probably will lead to lower retail prices and result in larger per capita consumption, thus countering the 13-year decline in consumption. Egg prices to consumers probably will average lower than in 1964 in each comparable quarter of the year. They are likely to be seasonally lowest in the second quarter when supplies are at their peak. Prices are expected to vary less in 1965 than they have in recent years, because most or the increase in egg production is expected to occur in the first and last quarters, when prices are seasonally high.

Dairy Products

Total civilian consumption of all dairy products (milk equivalent) in 1965 is expected to be about the same as last year. Per capita consumption is expected to be down about 2 percent. However, use per person of cheese and low-fat fluid items may continue 1964's gains. Use of non-fat dry milk, ice cream, and other frozen desserts is expected to maintain last year's level. But butter, evaporated milk, fluid whole milk, and cream consumption is expected to continue downward. Retail prices of dairy products in 1964 averaged 1 percent above 1963. During the first quarter of 1965, they are expected to be about the same as the January-March 1964 level and may continue at year-earlier levels during the balance of 1965.

Milk production is increasing seasonally, and may total about the same as a year earlier during the first quarter of 1965. During the last quarter of 1964, output averaged 2 percent above October-December 1963. Preliminary reports indicated milk production of 126.0 billion pounds for 1964 compared with 124.8 billion in 1963. At the end of 1964, total stocks of manufactured dairy products were about half as large as the year-end stocks of 1963.

About the same proportion of 1965 production likely will go into manufactured dairy products as last year. The manufacture of cheese and nonfat dry milk probably will rise slightly, although butter production probably will be about the same as last year.

Nevertheless, there will be sizable quantities of butter, cheese, and nonfat dry milk moving to the Commodity Credit Corporation or under subsidized exports, since supplies will be in excess of domestic commercial demand for dairy products. During the first quarter of 1965, CCC purchases and payment-in-kind (PIK) exports are likely to be about the same as January-March 1964, when they amount to 2.4 billion pounds, milk equivalent.

Sales of fluid milk and cream products (milk equivalent) in major marketing areas last year totaled about 1-1/2 percent above 1963, but total consumption gained less than 1 percent from 1963 since use of home-produced milk fell. Nationally, per capita consumption of fluid milk and cream in 1964 was about 2 pounds below the 308 pounds in 1963. Increases, approximating 11 percent, occurred in the use of skim milk and low-fat items; fluid whole milk consumption gained nearly 1 percent; and cream items continued their long-time decline.

The use of butter per person in 1964 declined from 6.9 to 6.7 pounds, despite an increase in donations of CCC stocks for use in welfare and school lunch programs. Continuation of the downtrend in per capita use from commercial sources is likely in 1965. In addition, CCC donations to needy families and institutions will be reduced this year because strong export demand has lowered butter supplies. Margarine will be distributed to needy persons and institutions to supplement CCC butter supplies for donation.

Per capita cheese consumption was an estimated 9.3 pounds in 1964 compared with 9.2 pounds in 1963. This increase was due to a gain of 3 percent in total use of cheese from commercial sources. Donations of CCC cheese were unchanged. Per capita consumption of cheese in 1965 probably will go a little above 1964 levels.

Per capita use of nonfat dry milk in 1964 amounted to 5.8 pounds, maintaining the 1963 level. Commercial use of nonfat dry milk increased 3 percent but consumption from CCC donations dropped from year-earlier levels. The supply of evaporated milk again dropped in 1964. Per capita consumption declined from 9.4 to 9.0 pounds.

Per capita consumption of ice cream in 1964 was 18.0 pounds, the same as 1963. Use per person of ice milk increased further in 1964, to 6.2 pounds from 6.0 pounds in 1963.

Retail prices of dairy products, as measured by Bureau of Labor Statistics, averaged about 1 percent higher in 1964 than in 1963. Marketing margins averaged about the same so prices received by farmers were higher. In the first quarter of 1965, prices are running about the same as a year earlier. Retail prices of fresh whole milk, butter, and evaporated milk are differing little from a year earlier; cheese prices are slightly higher, and ice cream prices slightly lower.

Exports of dairy products were at a record level in 1964, primarily because of increased movement of butter and nonfat dry milk under Government programs. Overseas shipments of butter and butteroil under these programs rose from 199 million pounds of butter equivalent in 1963 to 310 million pounds in 1964; nonfat dry milk went up from 1,145 million pounds in 1963 to 1,331 million in 1964. Shipments of these products in 1965 are expected to continue high but to remain well below 1964 peaks. Commercial overseas shipments of evaporated and condensed milk were 145 million pounds in 1964 compared with 167 million pounds in 1963.

Food Fats and Oils

Total U. S. supplies of edible fats, oils, and oilseeds for the 1964-65 marketing year (begun October 1, 1964) are about 4 percent below the record quantities of last season. The decline is due to smaller starting stocks of butter and edible vegetable oils. Output in 1964-65 likely will approximate the rate a year earlier. Total disappearance is expected to rise above a year earlier, due primarily to larger exports. Domestic disappearance likely will expand in line with population growth. Ending stocks next September 30 will decline significantly from the nearly 2.0 billion pounds (including oil equivalent of soybeans, shortening, and cooking and salad oils) on September 30, 1964. Wholesale prices of food fats began strengthening last fall; continued strength is expected to result in some increase in retail prices for edible fat products in 1965.

Per capita domestic consumption of edible fats and oils is estimated at 47 pounds for calendar 1965, the same as last year. Further reductions in consumption of butter and lard (direct use) are expected, but increased use of margarine and shortening are likely. Consumption of cooking and salad oils probably will continue near last year's high level. Lard use in shortening and margarine is expected to be down from a year ago, because of reduced lard supplies and higher prices. In 1964, use in these products totaled 495 million pounds, one-fourth below 1963.

In December 1964, USDA began buying margarine for domestic distribution to needy families and charitable institutions under Sec. 32, Public Law 320. The program was instituted to supplement the declining stocks of surplus butter earmarked for these donations. Due to strong domestic and foreign demand which have raised prices for dairy products above announced

support levels, USDA has purchased practically no butter under the support program since late last summer. The first margarine purchase was on December 30, 1964. As of January 29, 1965, a total of 15 million pounds has been purchased.

During 1964-65, exports of food fats (including the oil equivalent of soybeans) are placed at 5.3 billion pounds, up from the peak 5.0 billion pounds shipped in 1963-64. Record exports of edible vegetable oils and soybeans are expected to offset a sharp reduction in butter shipments. Exports of vegetable oils (cottonseed and soybean) likely will rise substantially from last season, with about 55 percent of these oils moving under the Food for Peace Program (P. L. 480).

Fruits

Total supplies of fresh and processed fruits are expected to be substantially larger from now until mid-year than in this period of 1964. Prospective supplies of fresh oranges and grapefruit are up, those of lemons down. Only slight damage was done to Florida citrus fruit by the January 16-18 cold wave. Supplies of deciduous fruits, now seasonally light, also are up somewhat. Supplies of all classes of processed fruit - canned, frozen, and dried - are expected to be moderately to considerably larger than in the first half of 1964. Retail prices for most classes of fresh and processed fruits are expected to be down somewhat from the first half of 1964.

Total supplies of fresh citrus fruits this winter and spring are expected to be substantially larger than in this period of 1964. Florida oranges and grapefruit will comprise most of the increase. There also will be small increases in Texas this winter. But supplies in California and Arizona will be down a little. Supplies of lemons will be much smaller than in the first half of 1964, although adequate for usual fresh market needs. Retail prices for fresh oranges and grapefruit this winter and spring are expected to be down a little from a year earlier; lemon prices are likely will be up somewhat.

Supplies of fresh deciduous fruits are expected to be moderately larger from now until late spring than a year earlier. Year-end stocks of apples in cold storage were about as large as a year earlier, those of pears were up moderately, and those of grapes were up substantially. Strawberry supplies from the Florida winter crop were curtailed by the mid-January freeze, but are expected to become seasonally large again during February and March. Prospective spring acreage, which accounts for the greater part of the annual crop, is nearly as large as a year ago. Retail prices for most fresh fruits this winter and early spring probably will average a little below a year earlier.

Small quantities of fresh fruits, especially pears, plums, and grapes, normally are imported from Southern Hemisphere countries during the first half of the year to supplement the seasonally diminishing supplies of U. S.-grown fruits. Much of such imported fruit is marketed at high retail prices through specialty fruit shops. More important are bananas, which are imported in large volume throughout the year and marketed in all types of food stores over the United States. About the usual volume of such imported fruits can be expected in the next few months.

Record-large supplies of canned deciduous fruits are in prospect for the first half of 1965. Canners' stocks of principal items on January 1, 1965, were more than a third above a year earlier. Stocks of all items were up--those of peaches, fruit cocktail, pears, applesauce, red tart cherries, and apricots were up sharply. These heavy stocks resulted from the record 1964-65 pack of canned deciduous fruits. Continued large supplies of Hawaiian canned pineapple also will be available. Supplies of canned grapefruit are expected to be up slightly. Retail prices for canned fruits are likely to average a little below prices during the first half of 1964.

Total supplies of dried fruits for the first half of 1965 are expected to be moderately above a year earlier. Dried prunes account for much of the increase. Supplies of raisins from the 1964 pack may be as large as a year ago, when usable raisins from the larger 1963 output were reduced by rain damage. Raisins and prunes comprise the major part of the total dried fruit supply; figs and dates are next in importance.

Increased year-end stocks of frozen deciduous fruits and berries (excluding juices) point to much larger supplies for the first half of 1965 than a year earlier. Among the leading items, stocks of strawberries, cherries, and peaches were up substantially while those of apples were down a little. Total cold storage holdings on January 1, 1965, were more than a fourth above a year earlier and a tenth above average. Retail prices for items in large supply may run a little lower this winter and spring than a year earlier.

Total supplies of fruit juices -- canned, frozen, and chilled -- for the first half of 1965 are expected to be somewhat larger than a year earlier. The increase will be mainly in citrus juices, although there also may be some gains in apple and prune juice. In late January, stocks of Florida canned single-strength citrus juices were considerably larger than a year earlier, because of early-season emphasis on canning the 1964-65 crop. Supplies of frozen orange concentrate were up a little; they are expected to increase relative to the year-earlier volume as processing of the much larger 1964-65 crop continues during winter and spring. In late January, Florida packers' stocks were slightly above a year earlier. Retail prices for various processed citrus juices already have dropped below a year ago.

Vegetables

Total vegetable supplies this winter probably will be smaller than last winter. Supplies of both canned and frozen vegetables are down moderately from the heavy stocks of 1964. Potato supplies are materially smaller, while those of sweetpotatoes are about the same as the light volume of a year ago. Fresh vegetables have suffered some freeze damage, which will curtail marketings of several items. Overall, however, fresh supplies likely will be larger than last winter. Retail prices for many processed vegetables likely will be a little higher this winter than last, and much higher prices are in prospect for potatoes. Sweetpotato prices will again be high this winter and spring, but prices for many fresh items will likely average below the very high prices of a year earlier.

During the winter months most supplies of tender fresh vegetables come from Florida. A mid-January freeze there resulted in damage to snap beans, sweet corn, peppers, and tomatoes. Although the United States probably will import large quantities of cucumbers, peppers, and tomatoes from nearby countries in coming weeks, prices for many of the tender vegetables likely will average as high as a year earlier. Damage to hardy vegetables was less severe. Relatively large supplies of carrots, lettuce, cabbage, and celery are in prospect for February-March, with prices expected to be lower than in 1964.

Total supplies of canned vegetables are moderately smaller than the heavy supplies a year ago. Stocks of sweet corn, snap beans, cucumber pickles, green peas, lima beans, and sauerkraut are considerably below the excessive supplies of last year. But supplies of asparagus, tomatoes, tomato products, and spinach are the same to heavier than a year ago. Total stocks of frozen vegetables are moderately smaller than in 1964. Supplies of Brussels sprouts, cauliflower, and spinach are larger, and those of mixed vegetables are about the same as a year earlier. Holdings of all other frozen vegetables are smaller.

Although down from a year ago, supplies of the major processed vegetables are adequate to plentiful. With supplies relatively large, retail prices for canned beets, spinach, tomatoes, and tomato products are expected to continue near last year's low levels. Prices for the other major canned items likely will average slightly higher than a year ago. Prices for frozen vegetables are expected to average a little above last year.

Total supplies of potatoes are much smaller than last winter. Retail prices the next 2 to 3 months probably will remain near present levels, and average sharply higher than a year earlier. About the same quantity of sweetpotato supplies appear to be available for marketing into spring as the light supplies of a year earlier. Seasonally rising prices are in prospect into April - May; prices are expected to average close to those in the same period of 1964.

Cereal Products

Food Grains

The total supply of wheat, rice, and rye continues to be well in excess of domestic food requirements. Per capita consumption of wheat flour is estimated at 116 pounds for 1965, the same as that of the 2 preceding years. The 1964 Wheat Program involves a lower price support loan rate along with marketing certificates. This combination provides income maintenance for wheat farmers at a level approaching that of previous years--$2.2 billion. Under this program, the support price for wheat plus domestic marketing certificates totals $2.00 per bushel, the same as under the 1962 program. The nature and timing of the 1964 Wheat Program caused millers to alter their relative use of old and new-crop wheat during May-September 1964. This changed milling pattern had no effect on per capita flour consumption or on total wheat ground for flour during calendar year 1964. The present wheat program will be continued for 1965-66 with minor alterations in the loan rate and certificate values, but a recurrence of last year's milling pattern is unlikely since market prices this spring will make a much less volatile adjustment to new crop conditions.

Per capita consumption of milled rice in 1965 is estimated at 6.8 pounds per capita, the same as in 1964. Retail prices of wheat, rice, and rye products are likely to continue their uptrend in 1965 at about the same rate as in recent years.

Corn, Oats, and Barley

Consumption of all corn products for food, in grain equivalent, increased to 51.3 pounds per capita in 1964, about 2 percent above a year earlier and 16 percent above the postwar low of 44.2 pounds in 1957. The increase in recent years has been due largely to increasing demand for corn sugar and sirup. In 1964, 13.4 pounds of corn sirup was consumed per capita, 9 percent above a year earlier. Corn sugar consumption was about 4.5 pounds per capita, about the same as a year earlier but 18 percent above the 1958-62 average. Annual data are not available on other food products made from corn, but in recent years, cornmeal consumption has averaged about 7 pounds per capita and corn breakfast cereals about 2 pounds per capita.

Domestic food use of oats and barley is not reported annually. Based on latest reports of the Census of Manufacturers, the consumption of oatmeal and other oat food products amounts to about 3 1/2 pounds per capita annually and the consumption of barley food products, excluding malt used in liquors, amounts to about 1 pound per capita.

Retail prices of food products made from corn and oats have trended generally upward in recent years. Retail prices are now being reported only for corn flakes, which in December averaged about 3 percent higher than a year earlier and about 13 percent higher than 5 years ago.

Table 9 .--Production of major food commodities, calendar years, selected periods, 1947-64 1/

Commodity	Unit	Average 1947-49	Average 1957-59	1961	1962	1963	1964 Preliminary 2/	1964 as a percentage of 1947-49	1964 as a percentage of 1957-59	1964 as a percentage of 1963
Meats (carcass weight) - Total	Mil.lb.	22,100	26,612	28,620	28,989	30,593	32,565	147	122	106
Beef	Mil.lb.	9,649	13,704	15,323	15,320	16,448	18,300	190	134	111
Veal	Mil.lb.	1,454	1,240	1,045	1,016	928	1,010	69	81	109
Lamb and mutton	Mil.lb.	716	711	832	809	770	715	100	101	93
Pork (excluding lard)	Mil.lb.	10,281	10,957	11,420	11,844	12,447	12,540	122	114	101
Poultry and eggs 3/										
Eggs	Mil.doz.	5,086	5,475	5,328	5,367	5,320	5,384	106	98	101
Chicken (ready-to-cook)	Mil.lb.	2,753	4,880	5,833	5,840	6,078	6,275	228	129	103
Turkey (ready-to-cook)	Mil.lb.	491	1,065	1,506	1,304	1,341	1,440	293	135	107
Dairy products										
Total milk	Bil.lb.	4/116.3	123.3	125.4	126.0	124.8	126.0	108	102	101
Cheese 5/	Mil.lb.	1,160	1,396	1,635	1,592	1,631	1,705	147	122	105
Condensed and evaporated milk	Mil.lb.	3,497	2,789	2,631	2,409	2,374	2,415	69	87	102
Ice cream (product weight)	Mil.lb.	2,758	3,212	3,357	3,381	3,440	3,500	127	109	102
Fats and oils - Total fat content 6/	Mil.lb.	7,627	11,070	12,338	13,328	13,653	13,825	181	125	101
Butter, (actual weight)	Mil.lb.	1,611	1,477	1,536	1,579	1,453	1,457	90	99	100
Lard 7/	Mil.lb.	2,419	2,584	2,517	2,480	2,476	2,477	102	96	100
Margarine (actual weight)	Mil.lb.	839	1,549	1,724	1,726	1,744	1,850	221	119	106
Shortening	Mil.lb.	1,434	2,022	2,456	2,689	2,533	2,665	186	132	105
Other edible fats and oils 8/	Mil.lb.	3,912	7,297	8,585	9,577	10,007	10,175	260	139	102
Fruits										
Fresh:										
Citrus	Mil.lb.	8,783	6,695	6,360	6,180	4,852	5,630	64	84	116
Apples (commercial)	Mil.lb.	3,775	3,972	3,827	3,784	3,766	4,300	114	108	114
Other (excluding melons)	Mil.lb.	4,493	4,082	4,042	4,080	3,687	4,226	94	104	115
Processed:										
Canned fruit	Mil.lb.	2,597	3,591	4,697	4,922	4,371	5,362	206	149	123
Canned fruit juices	Mil.lb.	2,230	2,177	2,723	2,797	2,946	2,564	115	118	87
Frozen (including juice)	Mil.lb.	415	1,556	1,741	2,037	1,233	1,520	366	98	123
Dried	Mil.lb.	961	697	758	722	775	813	85	117	105
Vegetables 9/										
Fresh 10/	Mil.lb.	18,504	19,921	21,171	21,023	21,371	21,009	114	105	98
Canned	Mil.lb.	5,993	7,620	8,601	9,258	8,612	8,333	139	109	97
Frozen	Mil.lb.	439	1,183	1,531	1,493	1,452	1,424	324	120	98
Potatoes and sweetpotatoes										
Potatoes	Mil.cwt.	248	252	294	267	272	243	98	96	89
Frozen potato products	Mil.lb.	9	287	579	762	862	880	9,778	307	102
Sweetpotatoes	Mil.cwt.	25.3	18.2	15.2	19.4	15.8	15.3	60	84	97
Dry edible beans 11/	Mil.lb.	1,854	1,797	2,029	1,860	2,061	1,781	96	99	86
Dry field peas 11/	Mil.lb.	401	376	354	496	476	474	118	126	100
Melons 10/	Mil.lb.	4,061	4,454	4,446	4,478	4,743	4,375	108	98	92
Sugar, raw basis	1,000 tons	2,066	2,732	4,268	4,399	4,870	5,530	268	202	114
Grains										
Wheat	Mil.bu.	1,251	1,178	1,235	1,094	1,142	1,290	103	110	113
Rye	Mil.bu.	23.1	28.3	27.5	40.8	29.2	33.5	145	118	115
Rice, rough	Mil.cwt.	35.3	45.7	54.6	54.2	66.1	70.3	199	154	106
Corn, grain only	Mil.bu.	2,787	3,409	3,626	3,637	4,092	3,549	127	104	87
Oats	Mil.bu.	1,282	1,248	1,011	1,020	979	882	69	71	90
Barley	Mil.bu.	279	447	396	436	406	403	144	90	99
Peanuts, farmers' stock basis	Mil.lb.	2,128	1,613	1,740	1,810	2,022	2,167	102	134	107

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated.
2/ Based on the best available information but subject to revision in line with later data from the Crop Reporting Board.
3/ Includes an allowance for nonfarm production.
4/ Includes an allowance for nonfarm production of 1.1 billion pounds in 1947-49.
5/ Excludes full skim, cottage, pot, and bakers' cheese.
6/ Includes butter, lard, and "other edible fats and oils."
7/ Includes amount used in manufactured food and nonfood products.
8/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils, oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items.
9/ Excludes potatoes and sweetpotatoes.
10/ Covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use.
11/ Cleaned basis.

Table 10 .--Retail food price indexes and Consumer Price Index, selected periods

(Index, 1957-59=100)

Year and month	Food at home											Food away from home	All food	Consumer Price Index
	Meat 1/	Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fruits and vegetables	Cereal and bakery products	Sugar and sweets	Beverages	Total			
1935-39	37.8	68.7	28.9	60.3	45.9	65.4	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.7	132.5	86.4	122.7	88.3	117.9	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	91.4	126.1	89.0	104.7	84.7	94.2	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	103.6	132.1	101.6	127.4	94.5	110.3	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	102.6	132.6	99.0	116.3	98.5	93.5	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	95.8	129.3	95.3	123.2	96.8	93.9	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	95.3	116.7	95.8	103.1	93.7	98.9	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	87.7	121.5	93.9	106.5	93.6	95.9	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	84.8	106.5	93.8	105.9	96.0	98.0	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	94.2	103.8	95.0	100.9	98.8	102.4	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	104.9	102.6	101.6	106.1	100.3	101.2	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	101.0	93.5	103.4	92.9	101.0	96.5	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	99.2	95.0	103.5	100.1	103.2	92.1	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
1961	100.5	85.8	105.8	100.1	104.8	98.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2
1962	102.5	90.7	110.2	94.6	104.1	98.5	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4
Jan.	100.4	90.0	108.7	99.7	105.6	99.5	100.6	106.6	101.0	89.5	101.2	109.2	102.5	104.5
Feb.	100.6	95.0	109.6	100.0	105.1	99.5	102.9	107.1	101.3	89.4	101.9	109.5	103.1	104.8
Mar.	100.5	94.9	109.6	94.0	105.0	99.7	104.4	107.3	101.2	89.1	101.9	109.7	103.2	105.0
Apr.	100.7	89.6	110.2	89.2	103.7	99.7	108.6	107.3	101.1	89.2	102.1	109.9	103.4	105.2
May	100.2	88.2	110.5	85.5	103.0	99.8	109.4	107.5	101.1	89.2	101.9	110.1	103.2	105.2
June	100.2	89.0	110.7	81.3	102.7	99.0	111.9	107.4	101.3	89.1	102.1	110.6	103.5	105.3
July	101.8	87.9	110.6	84.6	103.5	98.4	109.9	107.9	101.5	89.2	102.4	110.9	103.8	105.5
Aug.	103.6	89.9	110.9	89.8	103.9	98.0	105.2	107.8	101.5	89.4	102.3	111.4	103.8	105.5
Sept.	107.8	93.1	110.8	103.1	104.2	97.0	102.2	107.9	101.7	89.8	103.5	111.5	104.8	106.1
Oct.	105.4	91.0	110.7	104.6	104.3	97.1	102.0	108.0	101.7	89.6	102.9	111.8	104.3	106.0
Nov.	104.5	92.5	110.2	101.1	104.2	97.1	102.1	108.4	101.9	88.9	102.6	111.9	104.1	106.0
Dec.	104.1	86.8	110.4	101.8	103.9	96.8	100.2	108.2	101.8	88.7	101.9	112.2	103.5	105.8
1963	100.9	89.3	110.0	96.0	103.8	95.7	111.0	109.1	110.1	90.4	103.5	113.2	105.1	106.7
Jan.	103.6	90.0	111.0	103.1	103.8	96.8	106.4	108.7	102.0	88.9	103.2	112.3	104.7	106.0
Feb.	102.8	91.0	110.0	100.1	103.6	96.8	109.4	109.2	102.6	89.1	103.5	112.5	105.0	106.1
Mar.	101.2	91.1	110.4	98.6	103.5	96.2	109.6	109.1	102.9	88.9	103.0	112.6	104.6	106.2
Apr.	98.3	89.8	110.5	96.1	102.9	96.0	112.0	109.2	103.1	88.7	102.6	112.8	104.3	106.2
May	98.1	88.5	111.1	85.2	102.8	95.5	113.9	109.3	106.0	89.2	102.5	112.9	104.2	106.2
June	98.6	89.4	110.3	83.6	102.8	95.3	115.6	109.2	121.2	89.9	103.4	113.0	105.0	106.6
July	100.9	88.9	109.7	88.2	103.3	95.4	118.7	109.2	117.9	91.3	104.8	113.1	106.2	107.1
Aug.	102.6	88.1	109.1	91.7	104.2	95.7	114.2	109.1	114.0	92.0	104.5	113.3	106.0	107.1
Sept.	102.6	89.0	109.2	102.8	104.3	95.4	108.1	109.1	110.0	91.8	103.8	113.6	105.4	107.1
Oct.	101.4	88.5	108.8	103.6	104.6	95.2	106.3	109.1	109.9	91.6	103.2	114.0	104.9	107.2
Nov.	100.4	88.5	109.5	99.2	104.8	95.1	108.2	109.1	114.3	91.8	103.4	114.0	105.1	107.4
Dec.	99.7	89.0	109.7	99.6	105.0	95.4	109.8	109.0	117.0	92.1	103.7	114.3	105.4	107.6
1964 6/	99.4	87.3	107.4	95.0	104.7	94.8	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.1
Jan.	99.0	87.4	108.8	106.0	105.0	95.6	112.4	109.1	117.9	93.4	104.2	114.3	105.8	107.7
Feb.	99.0	87.1	108.5	101.4	104.8	95.4	113.9	109.0	118.3	95.7	104.4	114.4	106.0	107.6
Mar.	97.9	86.5	107.1	93.3	104.5	95.0	115.1	108.8	117.6	98.6	104.0	114.7	105.7	107.7
Apr.	97.7	85.7	107.1	90.8	104.1	94.6	115.7	108.8	117.0	101.0	103.9	114.9	105.7	107.8
May	97.3	85.7	106.9	85.3	103.9	95.0	115.7	108.9	116.6	102.4	103.7	115.0	105.5	107.8
June	97.2	87.5	106.5	83.3	104.0	94.9	120.2	109.2	115.5	103.4	104.4	115.1	106.2	108.0
July	99.5	89.1	106.5	87.9	104.3	94.7	122.3	109.2	114.3	103.8	105.7	115.2	107.2	108.3
Aug.	100.2	87.5	106.6	93.8	104.4	94.5	117.3	109.6	114.2	104.1	105.3	115.3	106.9	108.2
Sept.	103.0	87.7	106.4	104.9	104.6	94.2	112.2	109.9	114.0	103.7	105.6	115.5	107.2	108.4
Oct.	101.9	88.2	107.2	100.3	105.3	94.4	111.7	110.4	113.9	103.4	105.3	115.7	106.9	108.5
Nov.	100.4	87.8	108.0	98.5	105.3	94.5	113.0	110.7	113.7	103.4	105.1	115.9	106.8	108.7
Dec.	99.8	87.9	108.7	94.9	105.6	95.3	114.5	111.0	113.4	103.4	105.1	116.0	106.9	108.8

1/ Beef, veal, lamb and mutton, pork, and processed meat. 2/ Chicken is only item included. 3/ Includes butter. 4/ Excludes butter. 5/ Data not collected prior to 1953. 6/ Revised beginning January 1964. Item selection and quantity weights reflect the buying pattern of wage earners and clerical workers in 1960-61 and for the first time include single person families. Series are linked at December 1963. Documents describing the new index are available on request from the Bureau of Labor Statistics, Washington, D. C. 20210. The averages for fats and oils are computed by Economic Research Service using data obtained from Bureau of Labor Statistics.

Bureau of Labor Statistics.

SELECTED RECENT ARTICLES, REPORTS AND SPEECHES 1/

Consumption and Demand

Demand and Price Analysis: Some Examples from Agriculture, by Frederick V. Waugh, ERS Technical Bulletin No. 1316, Nov. 1964. 91 pp.

Family Income Distribution Statistics Published by Federal Agencies, Statistical Evaluation Report No. 5. A Report prepared by an interagency task force for the Office of Statistical Standards, Bureau of the Budget. Executive Office of the President. Dec. 1964. 15 pp. 2/

Food Consumption and Dietary Levels of Older Households in Rochester, N. Y., by Corinne LeBovit and Dorothy A. Baker. Home Economic Research Report No. 25. Dec. 1964. 93 pp. 3/

Median Family Income and Related Data by Counties Including Rural Farm Income, by Claude C. Haren and Robert B. Glasgow. ERS Statistical Bulletin No. 339. Feb. 1964. 137 pp.

Marketing

An Analysis of Grain Transportation in the Northwest, by Joseph R. Corby. ERS 200. Dec. 1964. 49 pp.

Market Test of Instant Sweetpotatoes in Selected Institutional Outlets, by Philip B. Dwoskin, O. C. Hester, Howard W. Kerr, Jr. and James A Bayton. Market Research Report No. 580. Jan. 1963. 41 pp.

Other

The Agricultural Economy of the United Arab Republic (Egypt),by Cline J. Warren. For. Agr. Econ. Report No. 21. Nov. 1964. 57 pp.

Austria, Projected Level of Supply, Demand and Trade of Agricultural Products in 1965 and 1975. Prepared for ERS and FAS by the Austrian Institute for Economic Research, Vienna, Austria. ERS-Foreign-62. May 1964. 322 pp.

Food Balances for 24 Countries of the Western Hemisphere, 1959-61, by James J. Naive, ERS-For. 86. Aug. 1964. 29 pp.

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Food Balances for 12 Countries in the Far East and Oceania. ERS-For. 88. Aug. 1964. 14 pp.

The Grain-Livestock Economy of the European Economic Community: A Compendium of Basic Statistics. ERS Statistical Bulletin No. 351. Nov. 1964. 87 pp.

Continued -

SELECTED RECENT ARTICLES, REPORTS AND SPEECHES 1/ -Continued

Selected Speeches at the 42nd Annual Agricultural Outlook Conference, Washington, D. C., November 16 to 20, 1964

"The Agricultural Outlook for 1965," by James P. Cavin. 14 pp.

"Current Developments in U. S. Foreign Trade in Farm Products," by Raymond A. Ioanes. 7 pp.

"Farm Policy Issues for the Years Ahead," by Charles S. Murphy. 8 pp.

"Foreign Trade Outlook: Longer-Term Implications," by John A. Schnittker. 6 pp.

"National Economic Situation and Outlook for 1965," by Rex F. Daly. 9 pp.

"The Low Income Problem in Agriculture," by Elmer J. Moore. 16 pp.

"Spending Patterns of Low-Income Families," by Emma G. Holmes. 10 pp.

"Spending Patterns of Rural and Urban Families," by Jean L. Pennock. 20 pp.

Statement [on the General Economy] by Louis J. Paradiso, Office of Business Economics, U. S. Dept. of Commerce. 4 pp.

Food Outlook

"Outlook for Food Consumption and Prices," by Stephen J. Hiemstra. 12 pp.
"Variations in Food Prices," by Rosalind C. Lifquist. 19 pp.

Outlook for commodities:

Dairy products, by A. G. Mathis. 4 pp.
Fats, oils and oilseeds, by George W. Kromer. 12 pp.
Fruits and tree nuts, by Ben H. Pubols. 3 pp.
Livestock and meats, by Robert L. Rizek. 4 pp.
Peanuts, by George W. Kromer. 4 pp.
Poultry and Eggs, by Herman Bluestone. 4 pp.
Rice, by William R. Askew. 3 pp.
Vegetables and potatoes, by Donald S. Kuryloski. 4 pp.
Wheat, by William R. Askew. 8 pp.

1/ Unless otherwise indicated, items listed are ERS publications and may be obtained from the Division of Information, Division of Management Services, U. S. Department of Agriculture, Washington, D. C. 20250.

2/ May be obtained from Executive Office of the President, Bureau of the Budget, Press Information, Washington, D. C. 20503.

3/ Copies available from the Agricultural Research Service, Consumer and Food Economics Research Division, Federal Center Building, Hyattsville, Maryland, 20781.

INDEX TO SPECIAL ARTICLES APPEARING IN THE NATIONAL FOOD SITUATION DURING 1964 1/

Coffee Supplies and Prices, NFS-108, May 1964.
Consumer Price Index Revision, NFS-108, May 1964.
The Importance of Imports as a Source of Civilian Food, NFS-108, May 1964.
Nutritional Review, NFS-110, November 1964.
Per Capita Food Consumption Index Revision, NFS-110, November 1964.
Projections of Food Consumption to 1968, NFS-107, January 1964.
The World Food Problem, NFS-107, January 1964.

1/ This list has appeared in the first-quarter issue of the National Food Situation each year since 1946.

The National Food Situation is published quarterly.

The next issue is scheduled for release May 17, 1965.

U. S. Department of Agriculture
Washington, D. C. 20250.

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NFS-111 FEBRUARY 1965

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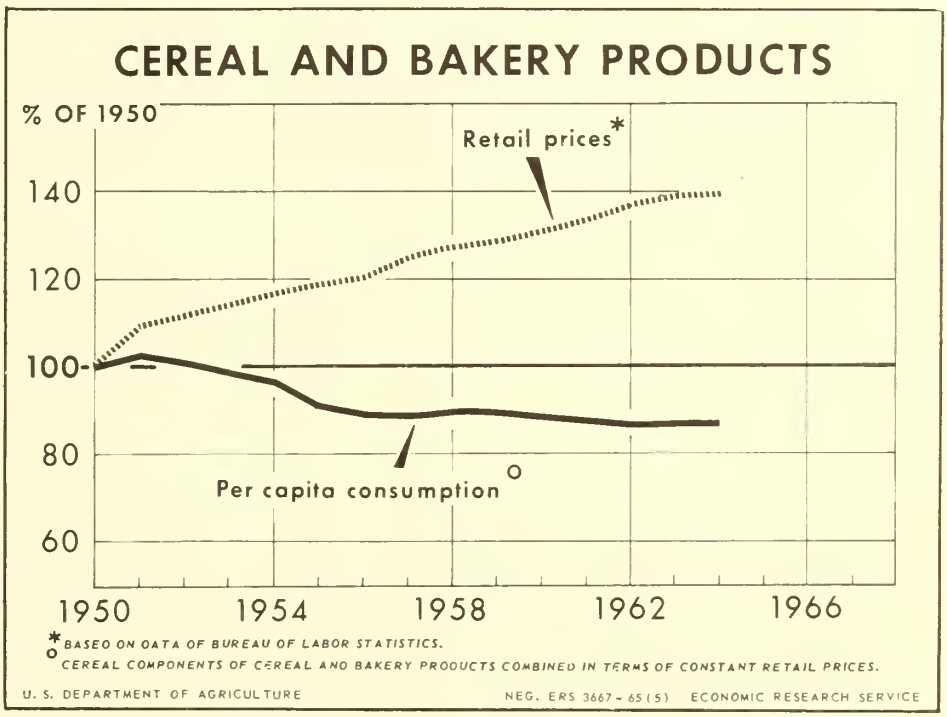
NATIONAL FOOD SITUATION

NFS-112

MAY 1965

Retail prices of cereal and bakery products rose 39 percent between 1950 and 1964 compared with an increase of only 20 percent for the entire food-at-home price index. Prices of bakery products and breakfast cereals contributed more to the price increase than did products such as wheat flour. Per capita consumption of the cereal components of all cereal and bakery products declined 13 percent since 1950. No annual data are available on consumption of bread and other consumer products that include many ingredients other than cereal products.



FOR 3 P.M. EDT RELEASE, MAY 18

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Published quarterly by
ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE

Table 1.--Volume of farm marketings and home consumption 1/

(Index numbers, 1957-59=100)

Item	1947-49 average	1958	1959	1960	1961	1962	1963	1964	1965 Indications 2/	1965 as a percentage of 1947-49	1965 as a percentage of 1964
Marketings and home consumption of all farm commodities	86	101	104	107	108	109	113	116	116	135	100
Food marketings and home consumption	87	100	103	104	107	107	110	115	115	132	100
Food marketings	82	100	103	105	109	109	112	117	118	144	101
Total food livestock 3/	79	98	103	104	108	110	114	119	120	152	101
Meat animals	81	97	103	105	108	110	116	123	122	151	99
Poultry and eggs	66	100	105	105	113	113	116	121	125	189	103
Dairy products	84	100	100	102	106	107	107	109	111	132	102
Total food crops 4/	98	104	105	108	110	106	108	113	113	115	100
Food grains 5/	102	114	106	117	114	102	108	117	118	116	101
Vegetables 6/	91	99	103	104	109	110	109	108	105	115	97
Fruit and nuts 7/	92	94	106	99	103	106	100	104	104	113	100
Sugar crops	78	97	105	105	115	117	152	155	154	197	99
Home consumption	161	100	94	87	81	74	69	67	65	40	97
Livestock	159	99	93	82	75	71	63	61	60	38	98
Crops	168	104	97	98	94	80	82	79	77	46	97
Nonfood marketings 8/	82	104	109	114	110	116	124	119	118	144	99

1/ Quantities of farm products weighted by average 1957-59 farm prices since 1955, 1947-49 prices in earlier years. Excludes Alaska and Hawaii. 2/ Indications for 1965 are based on calendar-year quantities estimated as of April 1, 1965. 3/ Includes honey. 4/ In addition to the crops listed below, includes peanuts, peppermint, popcorn and spearmint. 5/ Wheat, rye, rice and buckwheat. 6/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans and melons 1955 to date. 7/ Except peanuts and, beginning 1955, melons. 8/ There are no nonfood items in the home consumption index.

Table 2.--Food consumption per capita 1/

(Index, 1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy, excluding butter	Fats and oils, including butter	Fruits 2/			Vegetables 3/			Potatoes and sweetpotatoes	Cereal products	Sugar and sweeteners	Coffee, tea and cocoa	All food		
							Fresh	Processed	Total	Fresh	Processed	Total					Animal products	Crops 4/	Total
1910	96	49	107	82	70	101	148	14	80	114	24	85	208	149	54	65	87.2	87.0	86.9
1920	90	45	113	81	80	91	154	31	92	119	30	90	163	129	63	79	85.4	87.7	86.2
1930	85	52	97	89	83	113	145	35	89	126	47	100	138	131	85	81	86.3	95.7	89.9
1940	93	52	102	86	87	115	153	57	105	130	57	107	127	120	86	101	91.0	100.7	94.8
1941	94	56	108	84	90	116	161	53	107	129	61	107	134	121	94	104	92.3	103.6	96.7
1942	93	63	84	84	96	112	137	52	94	134	67	112	136	122	83	86	93.5	99.2	95.6
1943	98	78	75	92	96	97	122	45	84	139	61	114	137	135	77	81	96.2	98.7	97.0
1944	103	70	84	94	98	96	146	45	95	147	61	119	145	124	84	96	98.4	103.0	100.1
1945	97	76	94	107	104	91	144	57	101	150	74	126	129	130	69	100	99.4	104.0	101.0
1946	102	70	101	101	110	91	144	78	111	139	83	121	128	128	74	122	101.6	106.6	103.5
1947	102	64	96	104	104	97	149	67	108	127	76	111	126	115	94	108	100.0	103.8	101.4
1948	95	63	101	106	100	95	138	69	104	125	72	108	105	114	89	112	96.0	101.7	98.1
1949	95	67	102	105	99	98	135	73	104	118	75	104	109	113	91	115	96.1	101.5	98.1
1950	95	73	111	108	99	104	120	79	100	114	81	104	105	112	101	103	97.6	102.5	99.4
1951	90	77	106	109	99	94	125	78	102	111	84	103	105	115	94	105	95.8	100.8	97.6
1952	95	80	105	109	100	97	120	88	104	108	88	103	95	113	98	105	98.1	102.1	99.5
1953	102	79	103	106	99	98	113	90	102	106	91	102	100	110	97	107	100.0	101.6	100.5
1954	101	84	104	105	100	102	108	91	101	104	90	100	100	108	99	95	100.2	100.9	100.4
1955	106	79	97	104	101	103	102	98	100	104	96	102	101	102	100	96	101.7	100.4	101.1
1956	108	88	98	103	102	101	103	100	102	103	98	102	97	101	101	101	103.6	100.6	102.3
1957	102	94	97	102	101	99	101	103	102	102	98	101	98	99	98	100	100.6	99.6	100.2
1958	97	101	98	99	100	100	98	97	97	99	101	100	97	101	101	98	98.5	99.4	98.9
1959	101	105	105	99	100	101	101	100	101	98	101	99	105	100	101	102	100.9	101.0	101.0
1960 5/	102	102	102	94	99	99	98	104	101	100	102	100	109	99	102	101	99.9	101.6	100.7
1961 5/	101	112	102	91	97	99	95	102	98	99	102	100	110	98	102	102	99.6	101.1	100.3
1962 5/	102	110	102	91	97	99	90	106	98	96	107	99	114	97	103	104	99.9	101.1	100.4
1963 5/	105	112	101	89	98	100	82	98	90	96	107	99	119	97	102	106	101.2	100.8	101.0
1964 5/ 6/	108	115	100	88	98	103	91	95	93	94	107	98	121	98	103	102	102.7	101.2	102.0
1965 5/ 7/	105	117	101	87	97	101	92	104	98	94	108	98	121	98	103	101	100.8	102.1	101.4

1/ Civilian consumption, beginning 1941. Individual food items are combined in terms of 1947-49 retail prices through 1954, 1957-59 retail prices thereafter; indexes are linked at 1955. 2/ Excluding melons and baby food. 3/ Excluding soups, baby food, dry beans and peas, potatoes, and sweetpotatoes. 4/ Including melons, dry beans and peas, nuts, soups, and baby food in addition to groups shown separately. 5/ Incorporates data for Alaska and Hawaii. 6/ Preliminary. 7/ Preliminary indication.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, May 10, 1965

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SUMMARY

Food Situation

Per capita food consumption this year is not expected to reach the high level of 1964. Declines in consumption of food from animal products--principally pork and lamb--are expected to be partly offset by increased consumption of food from crops. Substantially larger consumption of citrus fruit is in prospect this year; production is recovering from freeze damage of 2 years ago. Beef consumption is expected to increase only slightly from the 100-pound per capita level of last year. But some decline in total meat consumption per capita is indicated because of the 5- or 6-pound decline anticipated for pork.

Retail food prices likely will continue their gradual upward trend of recent years. Last year, they rose an average of 1.2 percent; in first quarter 1965, prices averaged 0.8 percent above first quarter 1964. Last year's price increases were centered among the crops: Fruits and vegetables rose an average of 4 percent (potato prices rose 23 percent)and coffee prices were up 20 percent. But prices of meat declined an average of 2 percent. Price patterns are expected to differ this year: Potato prices likely will work downward going into the late summer and fall months of peak production. But, price increases can be anticipated for pork and some of the other meats because of a sizable reduction in pork supply.

Expenditures for food this year are expected to rise 3 or 4 percent above the $80 billion reported for 1964. Volume gains to supply the larger population and moderate price increases probably will account for most of the expenditure gain. With a continued rise in consumer incomes this year, expenditures for food as a proportion of disposable income are expected to average a little less than the 18.5 percent of 1964.

Special Articles

About 12 percent of all food consumed by U. S. civilians last year was imported. Practically all tropical foods, such as coffee, tea, cocoa, and bananas, were imported. These essentially noncompetitive products accounted for nearly half of U. S. food imports. Sugar is another important imported food, but with expansion in U. S. production, the percentage of U. S. requirements obtained from foreign sources has declined in recent years. About $3\frac{1}{2}$ percent of U. S. consumption of animal products, including fishery products, was imported last year. See special article beginning on page 15.

Total consumption of wheat flour (used in all food products) declined 14 percent per capita between 1950 and 1964. But, during this period retail prices of white bread rose 45 percent and wheat flour rose 15 percent. Similar divergence in consumption and prices occurred for most other cereal products. Rice was an exception; a 33-percent increase in per capita consumption accompanied a 29-percent gain in retail price. Consumption of rice, wheat flour, cornmeal and hominy grits, sweetpotatoes, dry beans, and dry peas is greater in the South than other regions and greater by low-income than by high-income consumers. Conversely, consumption of bread, potatoes, breakfast cereals, and macaroni, spaghetti, and noodles is lower in the South than in other regions. See page 19 for details.

The number of food stores decreased 17 percent between 1954 and 1963 but sales by food stores increased 44 percent, according to the 1963 Census of Business. About three-fourths of all food stores were grocery stores. The remaining food stores showed a greater decline in numbers and less of an increase in sales than did the grocery stores. The number of eating places increased 15 percent between 1954 and 1963 and their total sales shot up 59 percent. Particularly large increases were recorded for small refreshment places and for caterers. See page 26.

DEMAND FOR FOOD

Changes in income and size of the population principally determine shifts in the demand for food. Growth in population increases food consumption about proportionately. Increases in income also are associated with increases in food consumption, but the increases are not large in the range of incomes of most U. S. consumers. Changes in food expenditures are more closely related to changes in income than are changes in food consumption. In addition to increased volume, expenditures reflect changes in prices, kinds of food purchased, and forms and ways in which food is marketed. In postwar years, food expenditures have risen about two-thirds as much as disposable income.

The population is expected to grow this year at about the same rate as the 1.4 percent increase between July 1963 and July 1964. The civilian population totaled 189.4 million on July 1, 1964, in the 50 States (table 3). The rate of growth is down slightly from the 1.6 to 1.7 percent annual increases that prevailed 4 or 5 years ago.

The value of all goods and services produced in this country in 1965 is expected to total around 6 percent above the $623 billion reported for 1964. After-tax income is expected to continue rising, though the gain is not expected to match the 7-percent rise from 1963 to 1964. Disposable income in first quarter 1965 has kept up with last year's gain of 7 percent. But extraordinary factors in the first quarter, such as the delayed buying of autos because of last fall's work stoppages and inventory buying, account for part of the gain. Wage and salary disbursements, which make up about two-thirds of personal income, were 7 percent ahead of a year earlier. Average hourly earnings were at record highs; average hours worked per week were well above a year earlier; and employment was stepped up in meeting production requirements. Most other forms of income, notably dividends, also were up substantially.

Consumers responded to the large first-quarter income rise by stepping up purchases 7 percent from January-March 1964. The largest increases in spending were for automobiles and other durables. But, expenditures for food also rose significantly.

FOOD EXPENDITURES

Expenditures for food totaled $80 billion in 1964; another $12 billion was spent for alcoholic beverages. Food expenditures this year are expected to rise around $3 billion compared with last year's $4 billion increase, assuming that current income expectations for the year are realized. The 1964 increase of over 5 percent was the largest in over a decade. Food expenditures this year will likely approximate the 3 and 4 percent increases that occurred in 1963 and 1962. Food expenditures in the first quarter were at a seasonally adjusted annual rate of about $83 billion, up about 6 percent from a year earlier. First quarter weekly food store sales were ahead of a year earlier by 6 percent. Sales by eating and drinking places were up by 9 percent.

In 1964, food expenditures accounted for 18.5 percent of disposable income, down from 18.9 percent the year before. Since incomes are expected to rise faster than food expenditures, a further small decline is expected in the proportion of income spent for food in 1965.

An average of $417 per person was spent for food in 1964, an increase of $16 from a year earlier. Expenditures averaged out to $8 per week per person. According to the Bureau of the Census, the median size of family was 3.36 persons. On this basis, food expenditures averaged around $27 per week per family in 1964. The food bill for this median-sized family totaled around $1,400 in 1964.

Table 3.—Civilian per capita consumption of major food commodities, primary distribution weight, and civilian population, selected periods 1947-65 1/

Commodity	Average 1947-49	Average 1957-59	1962	1963	1964 Prelim-inary	Preliminary indications for 1965	1965 as a percentage of 1947-49	1965 as a percentage of 1957-59	1965 as a percentage of 1964
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent
Meats (carcass weight) - Total	148.5	156.6	163.1	169.3	174.6	168.5	113	108	97
Beef	65.6	82.1	88.8	94.2	100.1	100.5	153	122	100
Veal	9.7	7.1	5.5	4.9	5.2	5.1	53	72	98
Lamb and mutton	4.8	4.4	5.2	4.9	4.2	3.7	77	84	88
Pork (excluding lard)	68.4	63.0	63.6	65.3	65.1	59.2	87	94	91
Fish (edible weight) - Total	10.7	10.5	10.6	10.6	10.6	10.7	100	102	101
Fresh and frozen	5.9	5.7	5.8	5.7	5.9	2/	---	---	---
Canned 3/	4.2	4.2	4.3	4.4	4.2	2/	---	---	---
Cured	.6	.6	.5	.5	.5	2/	---	---	---
Poultry products									
Eggs (farm basis) - Number	385	356	324	316	314	309	80	87	98
Chicken (ready-to-cook)	18.7	27.5	30.0	30.8	31.2	32.0	171	116	103
Turkey (ready-to-cook)	3.3	6.0	7.0	6.7	7.2	7.2	218	120	100
Dairy products									
Total milk fat solids	29.5	25.6	23.8	23.3	23.1	22.8	77	89	99
Total nonfat milk solids	42.9	43.8	42.4	41.7	41.6	41.3	96	94	99
Cheese	7.0	7.9	9.2	9.2	9.3	9.4	134	119	101
Condensed and evaporated milk	20.1	14.8	12.5	11.6	11.4	11.0	55	74	96
Fluid milk and cream	359	335	308	307	305	302	84	90	99
Ice cream (product weight)	18.7	18.4	17.9	17.9	18.1	18.0	96	98	99
Fats and oils - Total, fat content 4/	42.4	45.3	45.7	46.1	47.5	46.7	110	103	98
Butter (actual weight)	10.6	8.2	7.3	6.9	6.8	6.5	61	79	96
Margarine (actual weight)	5.6	8.9	9.3	9.6	9.7	9.8	175	110	101
Lard	12.4	9.3	7.2	6.4	6.4	6.2	50	67	97
Shortening	9.6	11.4	13.4	13.4	13.6	13.7	143	120	101
Other edible fats and oils	7.3	10.8	11.7	12.9	14.1	13.7	188	127	97
Fruits									
Fresh (farm weight) - Total	132.8	95.7	84.9	76.1	84.7	86.5	65	90	102
Citrus	54.8	33.5	28.9	22.1	25.8	28.2	51	84	109
Apples (commercial)	25.5	21.6	19.4	18.4	21.2	20.5	80	95	97
Other (excluding melons)	52.5	40.6	36.6	35.6	37.7	37.8	72	93	100
Processed:									
Canned fruit	18.9	22.5	22.9	23.1	23.2	23.7	125	105	102
Canned juice	15.9	13.8	13.0	14.4	13.0	13.8	87	100	106
Frozen (including juices)	3.2	8.6	9.7	8.0	7.3	8.8	275	102	121
Dried	3.9	3.3	3.0	3.0	3.2	3.2	82	97	100
Vegetables									
Fresh 5/	120.5	104.3	102.8	103.0	98.9	99.0	82	95	100
Canned, excluding potatoes and sweetpotatoes	38.5	43.0	44.4	45.1	44.3	44.7	116	104	101
Frozen, excluding potatoes	2.8	6.6	7.7	7.4	7.6	7.6	271	115	100
Potatoes and sweetpotatoes									
Potatoes, fresh equivalent 6/	113.8	106.8	108.1	112.1	109.5	108.0	95	101	99
Frozen potatoes, product weight	7/	1.6	3.9	4.5	5.8	6.0	---	375	103
Sweetpotatoes, fresh equivalent 6/	13.0	8.3	7.6	7.1	6.6	6.6	51	80	100
Dry edible beans	6.7	7.7	7.8	7.7	7.5	7.3	109	95	97
Melons	27.4	25.1	23.2	24.7	23.3	23.0	84	92	99
Sugar (refined)	95.2	96.1	97.2	96.1	95.8	95.4	100	99	100
Grains									
Corn products: Cornmeal and other 8/	19.0	14.3	13.6	13.5	13.4	13.3	70	93	99
Corn sirup and sugar	14.1	13.0	15.4	16.8	18.1	18.5	131	142	102
Oat food products	3.3	3.5	3.5	3.5	3.5	3.5	106	100	100
Barley food products 9/	1.6	1.0	1.0	1.0	1.0	1.0	62	100	100
Wheat: Flour 10/	137	120	115	116	116	116	85	97	100
Breakfast cereals	3.2	2.8	2.6	2.6	2.6	2.6	81	93	100
Rye flour	1.4	1.2	1.1	1.1	1.1	1.1	79	92	100
Rice, milled	4.9	5.4	7.4	6.6	6.8	6.8	139	126	100
Other									
Coffee (green beans)	18.2	15.7	15.9	15.7	15.3	15.1	83	96	99
Tea	.58	.60	.66	.67	.69	.70	121	117	101
Cocoa beans	4.0	3.5	3.8	3.9	3.9	4.1	102	117	105
Peanuts (shelled)	4.4	4.6	4.9	5.0	5.1	2/	---	---	---
Civilian population 11/	Million 145.1	Million 171.5	Million 183.8	Million 186.7	Million 189.4	Million 192.1	132	112	101.4

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis; fresh citrus fruits, and peanuts on a crop year basis and rice on August 1 year. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice, which begins in August of previous year. 2/ Not available. 3/ Excludes canned food products containing small quantities of fish, such as clam chowder. 4/ Computed from unrounded data. 5/ Covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 6/ Includes quantities canned and frozen. 7/ Less than 0.05 pound. 8/ Includes cornstarch, breakfast cereals, and hominy. 9/ Barley used for food products in terms of malt equivalent. 10/ Includes white, whole wheat, and semolina flour. 11/ Census estimates of July 1 civilian population (50 States beginning 1962). Used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

Retail food store sales in 1964 rose by 5 percent, about twice the year-earlier rate of gain. Regionally, sales increased the most rapidly--6 percent--in the Northeast. Increase was about 5 percent in the South but less than 5 percent in the West and North Central States.

Sales by eating and drinking places rose 7 percent last year, the largest annual increase in several years. These sales increases were significant in pushing total food expenditures up by $4 billion last year. The most rapid gain--10 percent--was in the South. Sales in the Northeast rose only 5 percent.

PER CAPITA FOOD CONSUMPTION

Last year, per capita food consumption rose close to 1 percent, but this year, consumption is expected to decline slightly on the basis of the per capita food consumption index (table 2).

A net decline is expected in per capita consumption of animal food products in 1965. Major factor is the large, 5- or 6-pound cutback expected in pork consumption (table 3). Another sizable decline is anticipated in lamb consumption this year. Lamb consumption declined an average of a half pound per capita in the past 2 years. This downtrend is expected to continue in 1965. These are sharp declines for a product having per capita consumption of around 4 pounds.

Eggs and total dairy products also may contribute to the decline in per capita consumption of animal products. But, continued shifts are expected among dairy products. Per capita consumption of fluid milk and cream and condensed and evaporated milk may again decline. Animal fats, principally butter and lard, likewise are expected to decline.

Per capita consumption of beef totaled 100 pounds in 1964, an increase of 6 pounds from 1963; in addition, veal consumption totaled 5 pounds. Per capita beef consumption may rise again this year but the increase is expected to be small. Chicken consumption may also be up again this year but turkey consumption likely will remain at about the 1964 level. These anticipated increases fall short of offsetting the likely declines in consumption of pork, lamb, dairy products, and eggs.

A net increase in per capita consumption of crop (plant) products in 1965 is expected to offset some of the decline anticipated for the animal products. The bulk of the anticipated increase for crops is for fruits--and most of this is for citrus. Orange and grapefruit production during the winter season, mostly from Florida, was considerably above year-earlier levels. Production is recovering sharply from the severe freeze damage of 2 years ago. However, summer supplies of fresh citrus will not be greatly different from 1964 levels. Processed citrus supplies will continue more plentiful throughout the year so consumption is expected to rebound from depressed levels of the past 2 years. Stocks of canned deciduous fruits remaining from last year's pack on April 1 were much larger than a year earlier; they include applesauce, fruit cocktail, peaches, and pears.

Per capita consumption of vegetables for the year is not expected to differ much from that in 1964, though total supplies are moderately smaller this spring than last. Potato consumption this year is expected to decline slightly, with reduced supplies during the first half year. The decline is expected to be in fresh potatoes; processed potato consumption again is expected to increase. Last year, consumption of frozen potatoes rose from 4.5 pounds to 5.8 pounds per capita despite a 2½-pound decline in total potato consumption (fresh equivalent basis).

Some further slight declines in per capita consumption are likely in 1965 for several crop products. These include some of the cereal products, dry edible beans, melons, and coffee. Coffee consumption per capita declined about 2½ percent last year because of limited supplies and the rapid runup in prices. Some tailing off in prices may stabilize consumption this year, but some further decline in consumption is more likely.

Consumption of cocoa was about steady last year rather than down as had been expected. Low bean prices this year are expected to result in per capita consumption above that of recent years. A large world crop this past season sent wholesale prices to postwar lows.

RETAIL FOOD PRICES

All Food

Retail food prices in the first quarter were 0.8 percent above first quarter 1964, a gain slightly less than the 1.2 percent annual increase between 1963 and 1964. In first quarter 1965, prices of food purchased for home use averaged 0.6 percent higher and prices of food purchased and consumed away from home averaged 1.6 percent higher. Wholesale processed food prices were 0.7 percent higher but prices of farm products were down 1.0 percent.

Average retail food prices normally rise to a seasonal peak in July and then decline into the fall months of peak harvests. The increase from March to July is usually about 2 percent, which in most postwar years exceeds the annual increase. In 1964, unusual price weakness developed in the second quarter. Retail prices reached their low point of the year in May, following declines in wholesale processed and farm-product prices (fig. 1). For all of 1965, retail prices are expected to increase 1 to 1½ percent--about in line with recent-year trends (table 13). However, since per capita food supplies may not quite match the level of 1964 and incomes are expected to rise substantially, some unforeseen price pressures may develop.

Animal and Crop Products

Last year, sharp price increases occurred for several of the fruits and vegetables, for coffee, and for some of the sweeteners. For the year, prices of fruits and vegetables averaged 4 percent higher than a year earlier. Prices of meats, poultry, fish, eggs, and fats and oils declined last year. This year crop-product prices are expected to average about steady but some rise in animal products prices is expected.

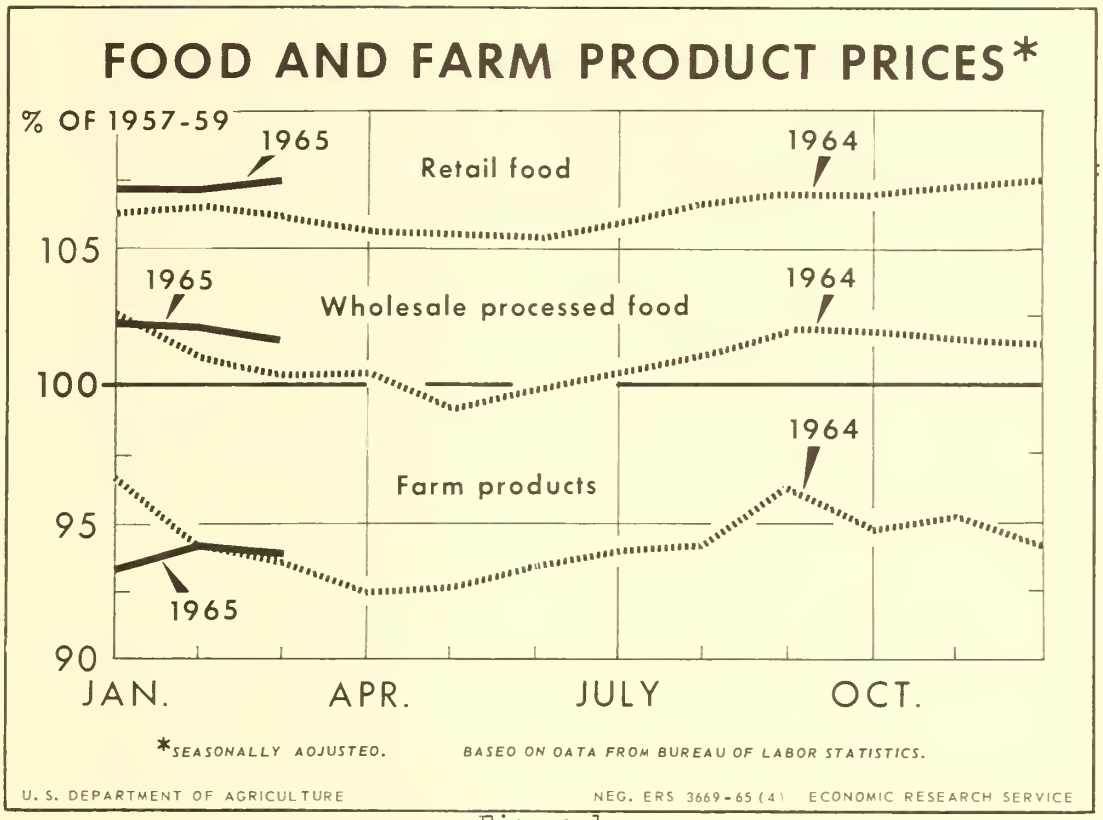

Figure 1

Supplies of fruits, particularly citrus, are expected to be larger this year; prices likely will average lower. Citrus prices declined noticeably in the first quarter. Potato and coffee prices are expected to decline from lofty levels at the beginning of the year. Potato prices in the first quarter averaged 58 percent above first quarter 1964; regular coffee prices were 14 percent higher. Prices of cereal and bakery products began moving upward rather rapidly toward the end of 1964. In first quarter 1965, prices of these products averaged 1.8 percent above a year earlier. For the year, prices of cereal and bakery products are expected to rise more than last year's mild half-percent increase; since 1950, increases have averaged over 2 percent per year (cover chart).

Since pork production is expected to decline sharply this year, to a possible postwar low, higher retail prices are expected. The usual mid-year seasonal advance may be sharper and more extended than normal. Except for eggs, other animal-product prices are expected to remain steady to strong this year. Meat, poultry, and fish prices each averaged 1 to 1½ percent higher in the first quarter than in January-March, 1964. Dairy product prices were up slightly. Egg prices declined sharply in the first quarter and likely will remain low until near mid-year. Usually egg prices reach their low point of the year about June and the high in late fall.

Table 4.--Percentage changes in retail food prices, United States and selected cities, February 1964-February 1965 1/

Cities	Total food	Food at home						Food away from home
		Total	Cereal and bakery products	Meat, poultry, and fish	Dairy products	Fruits and vegetables	Other foods at home	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
U. S. city average	0.6	0.4	1.6	1.2	0.4	-0.5	-0.8	1.7
Atlanta	1.3	1.4	1.8	2.3	3.6	2.8	-2.0	1.4
Baltimore	-.1	-.5	-1.7	.6	2.5	-1.3	-2.4	1.5
Boston	2.6	2.7	3.5	4.6	2.4	.9	1.3	1.8
Buffalo	1.0	.6	-1.2	1.3	2.1	.7	-.4	2.5
Chicago	.9	.8	2.1	2.2	.4	-2.0	.3	1.1
Cleveland	.1	-.3	-.3	-.2	.4	.4	-1.6	2.3
Dallas	1.3	1.4	4.1	3.2	1.0	-.2	-.7	1.3
Detroit	.1	-.3	2.0	.6	-1.6	-.1	-2.3	1.8
Honolulu	2.4	2.7	1.2	2.1	1.1	7.3	1.3	1.7
Los Angeles-Long Beach	1.0	.4	3.7	-.4	1.5	1.5	-2.3	3.1
New York	-.1	-.8	-.7	1.0	-1.5	-4.1	-.4	1.8
Philadelphia	-.4	-.7	4.7	-1.7	2.8	-4.5	-2.4	1.4
Pittsburgh	.8	.7	3.7	2.4	-1.3	-1.9	-.6	1.4
St. Louis	3.0	3.1	3.7	3.2	4.5	5.0	.4	2.4
San Francisco-Oakland	---	-.8	-1.0	.8	.5	-.1	-4.4	3.0
Seattle	-.1	-.3	---	-2.2	3.4	---	-.8	.3
Washington	1.1	.8	.6	1.6	3.2	.4	-1.5	2.2

1/ Area coverage includes the urban portion of the corresponding standard metropolitan statistical area (SMSA) except for New York and Chicago where the more extensive standard consolidated areas are used. Area definitions are those established for the 1960 census and do not include revisions made since 1960.

Computed from the retail food part of the Consumer Price Index, Bureau of Labor Statistics.

Price Variations Within Cities

Retail food prices in February 1965 averaged 0.6 percent higher than in February 1964 (table 4). But, price changes varied considerably among cities. They ranged from an increase of 3.0 percent in St. Louis to a decrease of 0.4 percent in Philadelphia. Virtually no change in average retail food prices took place in Baltimore, Cleveland, Detroit, New York, San Francisco, and Seattle. However, price increases in excess of 2 percent occurred in Boston, Honolulu, and St. Louis.

Among the cities, prices varied more for individual food groups than for food in total. The average retail price of fruits and vegetables declined 0.5 percent between February 1964 and February 1965. But, prices for these products increased 7 percent in Honolulu and 5 percent in St. Louis at the same time prices decreased 4 percent in Philadelphia and New York City. Meat prices increased the most in Boston and decreased the most in Seattle. Prices of food away from home--in restaurants and other eating places--increased in all the cities.

SUPPLY AND USE OF FARM COMMODITIES

Net production of farm commodities last year about equalled the level of 1963 (table 5). Production of livestock products increased but crop output declined as a result of unfavorable weather conditions and reduced yields. This year livestock production is expected to be down and crop production up. Reports on prospective plantings show intentions to plant about the same acreage to 17 major crops. With more normal weather this year, higher yields may push output to the average level in 1963. Increased production is most likely for corn, soybeans, potatoes, dry edible beans, and fruits, particularly citrus (table 12). Potato acreage intentions for the year were reported 7 percent above 1964. If this gain and a return to normal yields are realized, production will rise sharply this year.

Livestock product output this year is expected to hold about steady with 1964 in contrast to last year's large increase over 1963. Small increases in production of several livestock products likely will be offset by the sizable declines anticipated in pork and lamb production. In January-March, commercial output of pork was down 7 percent and lamb and mutton down 12 percent from the same months of 1964. But, beef and veal production was up 6 percent so total red meat was about equal to the output in January-March, 1964.

The quantity of imports of agricultural products in 1964 was down sharply from a year earlier. (See table 6 for value of imports in 1963 and 1964.) Principal declines occurred for beef, sugar, and coffee. On the other hand, exports of food spurted upward in 1964, but may decline slightly in 1965. Last year's unusually large exports of wheat and flour are not expected to be repeated this year.

Domestic use of farm commodities in 1964 rose only slightly more than the increase in population. But total annual utilization rose at about twice the domestic rate, due to the large increase in exports. Since 1964 production

Table 5.--Supply-utilization of farm commodities: Indexes by component, 1924-64 1/

(Index: 1957-59=100)

Year	Net production	Net imports 2/	Stocks January 1 3/	Total annual net utilization	Domestic use				Exports and shipments 6/
					Food		Net nonfood 5/	Total	
					Civilian	Military 4/			
1924	61.4	62.8	47.4	61.6	62.8	---	60.8	61.5	65.7
1925	60.8	69.3	48.8	62.6	63.4	---	68.0	63.0	63.4
1926	63.4	72.9	48.1	63.9	64.7	---	70.0	64.3	64.7
1927	61.7	71.1	50.7	64.6	64.2	---	73.6	64.4	69.7
1928	62.9	70.6	48.8	63.9	64.7	---	70.0	64.3	64.6
1929	62.0	79.3	50.1	64.7	65.9	---	74.0	65.9	59.9
1930	62.0	70.1	50.1	62.6	66.0	---	63.3	64.7	50.9
1931	66.1	64.4	52.1	62.8	66.6	---	62.7	65.1	49.0
1932	62.8	55.7	58.6	61.6	65.6	---	55.5	63.3	52.2
1933	58.7	62.8	60.6	62.6	66.1	---	66.9	65.1	47.0
1934	56.5	58.9	56.0	62.4	67.5	---	65.9	66.2	37.2
1935	61.5	74.2	47.4	60.7	65.1	---	69.9	64.6	34.7
1936	56.2	78.1	52.7	63.8	67.7	---	81.7	68.4	32.8
1937	70.7	83.5	44.8	65.3	68.9	---	83.2	69.6	37.4
1938	66.8	69.1	58.0	64.4	68.4	---	71.3	67.7	43.5
1939	66.3	74.9	64.6	67.3	71.5	---	82.7	71.7	38.0
1940	69.8	75.4	65.2	68.6	74.0	---	86.5	74.4	29.3
1941	72.1	92.0	69.8	72.7	75.0	80.9	108.2	79.2	28.5
1942	80.6	63.8	73.8	76.8	74.2	287.0	114.4	82.6	37.4
1943	77.8	71.0	77.1	82.2	74.8	471.7	114.8	86.1	58.0
1944	86.7	78.7	69.2	86.7	77.2	696.2	113.1	91.5	55.2
1945	83.6	80.1	69.8	86.8	78.2	647.4	110.2	91.3	58.4
1946	85.1	83.7	66.6	87.6	85.6	167.0	111.4	90.1	74.2
1947	83.4	81.0	64.6	86.7	85.4	177.5	105.3	89.3	67.4
1948	89.7	88.2	60.6	84.1	83.3	207.0	108.7	88.4	51.8
1949	86.0	85.1	73.1	85.0	84.4	207.6	95.9	87.8	64.1
1950	84.4	93.0	77.8	87.3	86.4	108.1	113.2	90.1	66.0
1951	84.9	89.8	77.1	89.8	85.9	214.4	109.5	90.9	81.3
1952	90.3	89.2	72.5	89.0	88.9	160.2	102.0	91.6	69.3
1953	92.6	92.8	77.8	90.0	91.3	149.2	104.2	93.8	61.3
1954	94.0	82.7	85.0	90.7	92.7	125.2	96.1	93.6	69.0
1955	97.6	89.5	91.2	94.7	96.3	111.0	102.7	97.3	75.2
1956	99.9	93.1	97.2	100.1	99.3	112.4	105.3	100.3	98.5
1957	97.9	92.7	98.6	100.1	98.9	101.6	97.9	98.8	110.0
1958	101.1	95.7	97.1	97.9	98.8	99.9	96.7	98.5	92.8
1959	101.0	111.6	104.3	102.0	102.3	98.5	105.4	102.7	97.2
1960	105.9	106.3	107.6	105.7	103.5	94.2	102.8	103.3	123.9
1961	104.6	112.6	111.3	107.5	105.6	104.0	103.0	105.3	124.6
1962	107.0	115.3	110.9	108.9	107.2	108.3	106.9	107.2	121.9
1963	111.9	117.5	112.6	113.2	110.8	108.3	106.1	110.2	136.1
1964 7/	111.7	106.0	114.1	116.7	112.4	119.1	107.9	111.9	152.8
1965 8/	115.0	106.3	108.3	115.9	112.4	117.8	111.2	112.3	142.6

1/ Quantities weighted by average farm prices in 1957-59; prior to 1955, quantities are weighted using 1947-49 average farm prices but "linked" to the 1957-59 base period at 1955; imports priced at port-of-entry. Use of farm products allocated on the basis of value of processed products. See Measuring the Supply and Utilization of Farm Commodities, Agriculture Handbook No. 91, 1955, for basic methodology. On 50-State basis beginning 1962. Net concept excludes domestic use of feed and seed to avoid double counting. 2/ Includes inshipments from Alaska and Hawaii prior to 1962 and inshipments from U. S. Territories for all years. 3/ Includes farm and commercial stocks and holdings under Government programs. Stock coverage throughout the period is comparable to level on Jan. 1, 1961. The index is computed from stock levels derived by applying annual changes to 1961 level to avoid problem of inconsistent stock coverage over time. 4/ Includes civilian feeding in areas occupied by U. S. Armed Forces. 5/ Excludes feed and seed; includes some waste and loss at the farm. 6/ Includes shipments to Alaska and Hawaii prior to 1962 and shipments to U. S. Territories for all years. 7/ Preliminary. 8/ Estimate.

totaled about the same as that in 1963 and 1964 imports declined, increased utilization led to an overall reduction in carryover stocks. The falloff expected in exports this year may about balance the increases in domestic use; total use of farm commodities is not expected to change much from 1964 to 1965.

FOREIGN TRADE

Imports

Total value of imports of agricultural products of $4.1 billion last year was up about 2 percent from 1963 (table 6). The value of imports compared with $6.3 billion of agricultural exports in 1964. In January, imports fell to $175 million compared with $332 million in January 1964, due to the labor-management dispute at East Coast and Gulf ports.

Imports of many important products declined last year. Coffee prices rose about a third at wholesale so total value increased 25 percent despite a 5-percent decline in quantity imported. Sugar and meat products, the second and third most important imports, both declined sharply in 1964. The decline in value of sugar imports was due to a decline in world sugar prices. The value of meat and meat product imports declined more in the second half than in the first half of the year; imports in July-December 1964 were off 30 percent from July-December 1963. The large increase in value of banana imports reflected a change in valuation procedure by the Bureau of the Census; the quantity imported declined 4 percent. Total supplementary (the competitive group) imports declined by 9 percent whereas the complementary (largely tropical commodities) imports increased by 15 percent.

Exports

The value of agricultural exports increased 14 percent between 1963 and 1964 to a record high of $6.3 billion. Most of the increase was in sales for dollars. Exports to the European Economic Community (common market) rose 21 percent. Nearly all categories of products increased, with the 15-percent gain for wheat and flour accounting for a sizable part. Animal products, cotton, and oilseeds and products all experienced large gains.

During the latter half of 1964, agricultural exports were ahead of the same year-earlier period by 9 percent, partly due to anticipation of the dock-workers' strike. Exports of oilseeds and products were particularly strong. Exports in January-February 1965 totaled only $536 million compared with $1,065 million in the same 2 months of 1964. This decline was mostly due to the strike; it is expected to be largely, but not entirely, made up during the balance of the fiscal year. In July-March, exports were at a $5.9 billion annual rate for the fiscal year, about 3 percent less than the 1963-64 total.

Table 6.--U. S. agricultural imports for consumption: Value by commodity, calendar years, 1963 and 1964

Commodity	1963	1964	Change
	Million dollars	Million dollars	Percent
Supplementary			
Animals and animal products:			
Animals, live	81	56	-31
Dairy products	55	62	+13
Hides and skins	59	71	+20
Meats and meat products	542	433	-20
Wool, apparel	111	115	+4
Other	45	47	+4
Total animals, etc.	893	784	-12
Cotton, excluding linters	24	21	-12
Fruits and preparations	104	124	+19
Grains and preparations	43	49	+14
Nuts and preparations	68	73	+7
Oilseeds and products	144	158	+10
Sugar, cane	611	458	-25
Tobacco, unmanufactured	99	110	+11
Vegetables and preparations	91	103	+13
Other	215	217	+1
Total supplementary	2,292	2,097	-9
Complementary			
Bananas	82	127	+55
Coffee	957	1,200	+25
Cocoa beans	135	131	-3
Rubber, crude, natural	197	201	+2
Tea	58	60	+3
Wool, carpet	115	90	-22
Other	175	176	+1
Total complementary	1,719	1,985	+15
Total imports	4,011	4,082	+2

THE IMPORTANCE OF IMPORTS AS A SOURCE OF FOOD 1/

Proportion of Food Imported

About 12 percent of all food consumed by U. S. civilians in 1964 was imported or shipped in from U. S. Territories (table 7 and fig. 2). Both fishery products and farm products are included in this estimate. Many foods are entirely domestically produced, but many others, primarily tropical commodities such as coffee, tea, cocoa products, bananas, many of the treenuts, several oils and oilseeds, and such fishery products as spiny lobsters are mostly imported. Close to half of the agricultural foods imported last year are classed as either noncompetitive or only partly competitive with U. S.-produced products.

The average proportion of imported food to all U. S. food consumed has remained fairly stable in recent years, despite fluctuations among foods. The 12-percent average for 1964 compares with 13 percent for the 6 years previous. Since 1962, the data are on a 50-State basis. Prior to that time, inshipments from Alaska, Hawaii, and U. S. Territories are included with imports; canned and cured fishery products are an exception (footnote 7, table 7).

In contrast to stability in the overall importance of imports, exports of agricultural products have increased sharply in recent years. In 1964, exports (including outshipments to Territories) accounted for 15 percent of the total use of all U. S. farm commodities, up from 9 percent in 1955. Exports amounted to 11 percent of the total use of food products and 19 percent of the use of nonfood products. Exports accounted for 18 percent of U. S. production of all agricultural products in 1964, 5 percent of the production of livestock products and 23 percent of the output of crop products (including feed and seed).

Animal and Crop Products

Only 3½ percent of all animal products used for food in the United States was imported last year, compared with about a third of the direct food use of crop products (excluding indirect use through livestock). The percentage of imports of animal products was down from 4½ percent in 1963 mainly because of sharp declines in imports of beef and mutton. But the proportion of animal products imported for food use was about double the 1½ percent level of 1955. Imports of food from crops have remained near a third of total U. S. food use of crops since 1955, the first year compared. A change between 1961 and 1962 in handling shipments from Hawaii reduced significantly the proportion of sugar and sirups shown as imported; it accounted for most of the decline in imports for total crop products between these years.

Coffee is by far the most important imported food item. Valued in terms of 1957-59 farm (or dockside) prices, coffee accounted for 45 percent of total imports for civilian food last year. The other major food imports were beef and veal, 11 percent; sugar and sirups, 9 percent; bananas, 9 percent; cocoa products, 8 percent; and fishery products, 5 percent. Crop products accounted for 80 percent of the total and animal products 20 percent.

1/ By Stephen J. Hiemstra, Food Consumption and Utilization Section, Economic Research Service.

Table 7.--Proportions of U. S. food consumption supplied by imports, by product group, 1955-64 1/

Group	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964 2/
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Crops										
Coffee, tea, cocoa	100.0	100.0	100.0	100.0	100.0	100.0	100.0	99.8	99.7	99.8
Bananas	100.0	100.0	100.0	100.0	100.0	100.0	100.0	99.8	99.8	99.7
Other fruit	6.0	6.3	6.0	6.2	5.7	6.3	7.9	2.1	2.4	3.4
Oils and oilseeds, total	18.9	15.5	16.0	16.1	13.9	12.8	14.6	16.6	14.2	13.2
Domestic crops 3/	4.6	.7	.5	1.0	.5	.4	.6	.5	.3	.2
Sugar and sirups	69.2	68.8	67.5	66.5	67.2	66.0	63.8	53.3	50.6	42.9
Treenuts, total	33.9	29.9	32.3	34.4	31.2	30.3	24.6	24.6	12.2	24.0
Domestic crops 4/	10.4	8.4	7.0	10.9	10.0	7.0	4.9	2.8	1.5	3.7
Vegetables	1.1	1.3	1.2	1.7	1.6	1.7	1.7	1.7	1.6	1.4
Food grains	.8	1.1	1.2	.7	.8	.7	.6	.6	.5	.4
Feed grains	.2	.3	.4	.2	.1	.1	.1	.1	.1	.1
All crops	33.6	33.8	34.6	34.0	34.5	34.3	34.7	32.5	31.7	31.6
Animal products										
Beef and veal	1.4	1.2	2.3	5.6	6.4	4.4	5.7	7.7	8.4	5.6
Pork and lard	1.5	1.2	1.3	1.7	1.4	1.5	1.5	1.7	1.7	1.7
Lamb	.1	6/	.1	1.1	1.2	1.6	1.4	1.7	2.6	1.4
Mutton	2.1	2.1	7.0	45.9	72.5	61.0	65.2	71.8	74.6	64.7
Dairy products	.3	.3	.3	.4	.4	.4	.5	.5	.6	.5
Poultry and eggs	5/	5/	5/	5/	5/	5/	5/	5/	5/	5/
Honey	3.8	2.2	1.9	1.5	1.8	4.6	3.2	2.5	.9	2.2
Fishery products 6/	25.8	26.3	28.0	27.9	34.2	30.1	32.8	33.8	34.1	34.6
All animal products	1.5	1.4	1.8	3.0	3.5	2.8	3.3	4.2	4.5	3.4
All food	11.4	11.3	12.0	12.7	13.2	12.6	13.2	13.0	13.0	12.0

1/ Quantities weighted using 1957-59 U. S. average farm and wharf prices, except dockside prices used for products not commercially produced in the United States. Use of an imported item was assumed proportional to its domestic use. Imports for civilian food use were divided by total civilian food use in deriving percentages; include feed and seed. Prior to 1962, U. S. consumption was based on 48 contiguous States and imports included major shipments from Territories, Alaska, and Hawaii; imports are on a 50-State basis beginning with 1962. 2/ Preliminary. 3/ Total of peanuts, cottonseed, soybeans, and sunflower. 4/ Total of almonds, filberts, walnuts, and pecans. 5/ Less than 0.05 percent. 6/ Canned fishery products from Alaska, Hawaii, American Samoa, and Puerto Rico and cured products from Alaska are counted as domestic production rather than imports. In addition, imported raw materials for domestic processing are not included as imports.

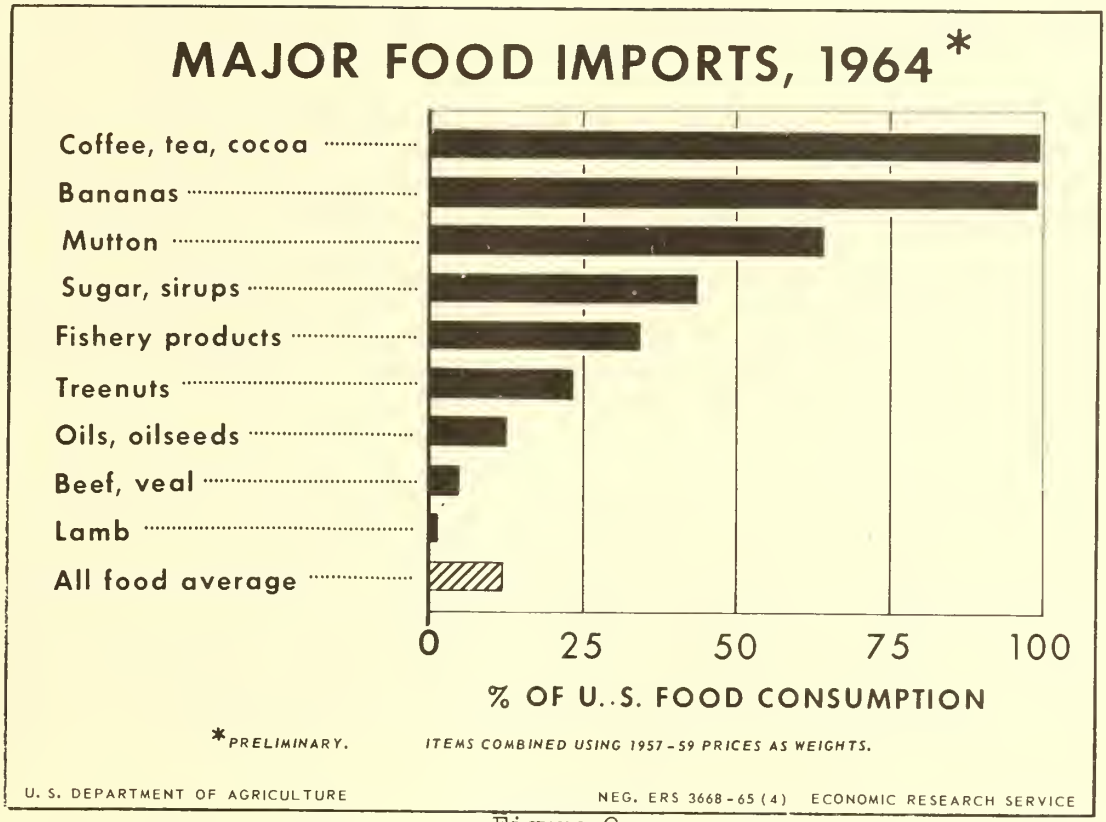

Figure 2

Imports of red meat in 1964 declined about 25 percent (product weight) from the 1963 level. The decline was an abrupt change from the uptrend of the previous few years. Beef and veal, the largest item, was down 29 percent. Mutton and lamb imports were nearly cut in half. But pork imports remained at the same level. Large U. S. supplies and reduced prices, particularly for beef, and reduced European supplies accompanied by increased prices were primarily responsible for the turn in trend of meat imports. Traditional European suppliers of beef have returned to their previous markets. Imports last year were not up to levels permitted by the voluntary limitations agreed upon by major exporting countries. Big domestic supplies and the strong foreign market have resulted in United States exports of small quantities of meat to Europe.

It is important to distinguish between imports of mutton and imports of lamb. Imports of mutton, largely from Australia, have provided a substantial part of U. S. mutton consumption since about 1958. Imports of mutton were triple the imports of lamb in 1964. U. S. lamb consumption comes almost entirely from domestic sources--only $1\frac{1}{2}$ percent of U. S. requirements were imported in 1964. Imports in 1963 were unusually large, but still accounted for only $2\frac{1}{2}$ percent of U. S. consumption.

Imports of sugars and sirups (including inshipments from Territories) dropped well below half of U. S. consumption last year. U. S. sugar production rose and imports dropped significantly. Imports have been declining steadily in importance over the past 10 years, while domestic production has been

increasing. The shift to a 50-State basis in 1962 excluded Hawaiian sugar from imports since then.

The importance of foreign sources of oils and oilseeds used for food in the United States has declined since 1955. Most of the imported items are not grown in volume in this country. They include copra, coconut oil, olive oil, sesame, palm kernels, and palm oil. Only a fraction of 1 percent of the food use of oils and oilseeds that are grown domestically is supplied by imports. An analogous situation exists for treenuts: In most years, a fourth to a third of total U. S. consumption is imported but these items consist largely of tree nuts not grown in volume in the United States. Imports include pignolias, pistachios, Brazil nuts, cashew nuts, and chestnuts. The domestically produced nuts include almonds, filberts, pecans, and walnuts.

Imports supplied about a third of total U. S. consumption of edible fishery products last year, a sharp gain from a decade ago. In addition, a substantial amount of fishery products were imported as raw materials for the domestic-processing industry. Taking these imports into account, about half the U. S. consumption was derived from foreign sources in 1964. U. S. production has remained reasonably stable over this period but imports have risen steadily. Most of the imports are fresh or frozen though substantial amounts are canned. Shrimp is the most important fishery product imported, in dollar value. Tuna (both canned and frozen), groundfish, and lobster also are important imports. Imports of shellfish have accounted for much of the increase in total imports of fishery products in recent years.

Other Agricultural Imports

About 80 percent of all imports of agricultural products (excluding fishery products) were used for civilian food last year. Wool, cotton, and tobacco were the primary nonfood imports; they made up 14 percent of all imports in 1964. Other nonfood agricultural imports, such as hides and skins, nonfood uses of imports classed as foods, and military use of food accounted for the remaining 6 percent.

CONSUMPTION AND PRICES OF CEREAL AND BAKERY PRODUCTS 1/

Consumption Trends

Historical declines in consumption per capita have taken place for most cereal products and for many of their substitutes. Between 1950 and 1964, per capita consumption of wheat flour (other than semolina) in all end uses declined 15 percent (table 8). It was accompanied by declines of 55 percent for sweet-potatoes, 50 percent for dry peas, 32 percent for cornmeal and hominy, 13 percent for dry beans, and 7 percent for potatoes, other than those canned and frozen. 2/ Meanwhile, per capita consumption of breakfast cereals has remained about steady. Consumption of semolina flour--used along with farina flour in such products as spaghetti and macaroni--declined during the early 1950's but has increased in recent years to about recover the previous decline. Rice has proved the exception to the above trends. Per capita consumption in 1964 was a third greater than in 1950.

Part of the increase in rice consumption was due to unusual factors: (1) Consumption since 1960 is reported on a 50-State basis. The addition of Hawaii added about a third of a pound per capita to the U. S. average in 1960-64. (2) USDA-donation programs have distributed increasing amounts of rice since 1955, averaging about 10 percent of total consumption since 1957. Per capita consumption in the 48 States, excluding USDA donations, increased 14 percent between 1950 and 1964.

Rice consumption varies sharply among U. S. regions and by income groups. Based on the 1955 Household Food Consumption Survey, the most recent information available, nearly 3 times as much rice was eaten by families with incomes under $2,000 than by families with incomes between $6,000 and $8,000 (table 9). Per capita consumption of rice in the South was about 4 times greater than in North Central States, and more than double that in the Northeast or West. Similar variations in consumption by regions occurred within income groups. However, there was less disparity in the $6,000-8,000 group than in lower income groups. These patterns may not be as strong today as 10 years ago when the reported survey was taken. Since then, improved consumer products have accounted for an increasing part of total consumption, according to the trade. Further, median family income increased 50 percent between 1954 (used in the 1955 Survey) and 1963, the latest year reported, so consumption patterns by 1954 income categories may not be relevant today. 3/

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2/ Total potato consumption increased 3 percent between 1950 and 1964 on a fresh-equivalent basis since increased use of processed products more than offset declines for fresh use.

3/ Data collection currently is underway on a comparable household food consumption survey for 1965.

Table 8.--Civilian per capita consumption of selected cereals and related products, 1950-64

Year	Rice, milled	Wheat flour	Semolina flour 1/	All breakfast cereals 2/	Cornmeal and hominy	Potatoes 3/	Sweet-potatoes 3/	Dry beans	Dry peas
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1950	5.1	129	6.2	7.9	14.4	105.7	12.1	8.6	0.8
1951	5.8	126	6.8	8.0	13.4	112.8	8.1	8.1	.7
1952	5.3	124	6.8	7.9	12.9	100.5	7.3	8.1	.5
1953	5.4	123	4.8	7.9	12.2	106.4	8.0	7.6	.6
1954	5.3	124	2.3	7.8	11.7	105.7	8.1	8.0	.6
1955	5.5	122	1.4	7.9	11.2	106.5	8.4	7.5	.5
1956	5.8	118	3.0	7.8	11.1	99.3	7.8	8.0	.7
1957	5.7	114	4.5	7.9	10.8	105.9	7.6	7.6	.6
1958	5.4	115	5.6	8.1	10.6	100.5	6.5	7.7	.4
1959	5.0	115	5.3	8.0	10.5	101.1	7.3	7.7	.7
1960	6.1	113	5.3	8.0	10.1	101.2	6.3	7.3	.3
1961	6.2	113	4.6	8.0	10.0	101.8	5.5	8.0	.2
1962	7.4	111	3.7	7.9	10.0	98.3	6.1	7.8	.5
1963	6.6	110	5.6	7.9	9.9	100.9	5.9	7.7	.3
1964	6.8	110	6.0	7.9	9.8	95.2	5.5	7.5	.4

1/ Used in products such as spaghetti and macaroni.

2/ Wheat, corn, and oat cereals.

3/ Excludes quantities canned and frozen. Data are on farm weight basis.

Another study showed that distribution of milled rice for direct food use in 1962 averaged 113 pounds per capita in Hawaii and 125 pounds in Puerto Rico. 4/ Within the 48 States, per capita distribution averaged 30 pounds in Louisiana, 27 pounds in South Carolina, and 10 pounds in California. These rates compare with 2 pounds or less per capita in the North Central, New England, and Mountain States. The U. S. average of milled rice for direct food use in 1962 was 6.1 pounds per person compared with total consumption of 7.4 pounds.

Data are not available on per capita consumption of bread on an annual basis. But, using data from the Census of Manufactures, consumption of bread and bread-type rolls from all commercial bakeries was estimated at 84.4 pounds per capita in 1958 and 87.1 pounds in 1954. 5/ The 1955 survey showed bread purchases to be lower in the South than in the other 3 regions (table 9). Conversely, flour and cornmeal consumption was greatest in the South, both in total and within income groups. Apparently, home baking is more common in the South than elsewhere. The survey showed that bread consumption increased and flour and cornmeal decreased markedly as income rose. These variations occurred in each region.

Interesting parallels can be observed between rice and bread consumption and some of the other foods listed in table 9. Consumption of cornmeal and hominy grits was even more predominately Southern-oriented than was rice. Consumption rates for sweetpotatoes, dry beans, and dry peas also were much higher in the South than in the other regions. Consumption of each of these foods--particularly cornmeal and hominy grits--declined with increases in income. Among these foods, sweetpotato consumption had the least association with income variations.

In contrast, consumption rates were lower in the South than in other regions for potatoes, breakfast cereals, and macaroni, spaghetti and noodles. Little variation was found by income groups for these foods. But, outside of the South, potato consumption declined as income rose. Data for the South showed potato consumption rising with income in 3 out of the 4 income groups observed.

4/ McGrath, E. J., Distribution Patterns of Rice in the United States, Economic Research Service, ERS-186, July 1964. Distribution patterns were derived from data on shipments to States and Territories furnished by rice millers and repackagers. Consumption may not have taken place within the State to which it was shipped.

5/ The 1955 Household Food Consumption Survey estimated bread consumption in households of 2 or more persons at 1.41 pounds per capita during 1 week in the spring (table 9). Consumption of rolls averaged another 0.06 pound. At this rate, bread consumption would total 73.3 pounds and rolls another 3.2 pounds per year. This procedure, however, assumes the 1 week to be representative of the entire year's consumption.

Table 9.--Use per person of selected cereal, bakery, and related products in all households by selected income groups and by region, in a week, spring 1955

Income group and region	Rice	Wheat flour	Bread	Macaroni, spaghetti, noodles	Breakfast cereals	Cornmeal and hominy grits	Fresh: Potatoes	Fresh: Sweetpotatoes	Dry beans	Dry peas
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Households of 2 or more persons										
United States	0.09	0.98	1.41	0.12	0.24	0.28	1.76	0.06	0.11	0.01
Northeast	.06	.50	1.51	.19	.25	.01	1.85	.05	.04	.01
North Central	.04	.84	1.62	.13	.29	.05	2.06	.04	.06	---
South	.16	1.55	1.08	.08	.19	.78	1.43	.09	.22	.03
West	.07	.92	1.56	.12	.28	.04	1.60	.03	.13	.01
Households with under $2,000 income										
United States	.16	1.77	.96	.09	.22	.85	1.66	.06	.24	.03
Northeast	.06	1.01	1.42	.23	.30	.01	2.34	.05	.10	.01
North Central	.04	1.27	1.42	.08	.33	.12	2.19	.04	.13	---
South	.23	2.11	.70	.06	.16	1.28	1.37	.07	.30	.05
West	.03	1.14	1.47	.13	.38	.08	2.37	---	.16	.01
Households with $2,000-2,999 income										
United States	.14	1.26	1.30	.13	.26	.36	1.79	.09	.18	.02
Northeast	.06	.61	1.67	.26	.28	.02	2.15	.07	.05	---
North Central	.04	1.05	1.47	.12	.32	.04	2.21	.04	.07	---
South	.23	1.64	1.00	.09	.22	.71	1.43	.13	.26	.04
West	.11	1.16	1.65	.12	.24	.08	1.78	.01	.26	.02
Households with $4,000-4,999 income										
United States	.06	.76	1.52	.14	.26	.13	1.80	.05	.08	.01
Northeast	.05	.39	1.52	.21	.26	.01	1.78	.03	.04	.01
North Central	.04	.84	1.62	.12	.28	.05	2.05	.03	.06	---
South	.11	1.28	1.32	.08	.23	.51	1.58	.10	.18	.01
West	.08	.91	1.57	.12	.26	.02	1.54	.03	.09	---
Households with $6,000-7,999 income										
United States	.06	.67	1.65	.12	.25	.08	1.77	.04	.06	.01
Northeast	.06	.46	1.60	.16	.23	.01	1.75	.07	.03	.01
North Central	.04	.61	1.76	.13	.28	.03	2.01	.03	.06	.01
South	.08	.97	1.44	.08	.19	.32	1.34	.03	.12	.01
West	.07	.74	1.76	.07	.30	.04	1.69	.03	.09	.01

1955 Household Food Consumption Survey, Reports 1-5. Per person averages derived from household averages using average household size based on 21 meals at home equivalent to one person.

Income-Quantity Relationships

Per capita consumption of all grain products, flour equivalent, and the value of products by income groups for all U. S. households with 2 or more persons was reported as follows in the 1955 survey:

1954 income	Quantity Lb.	Value Dol.
Under $1,000	4.38	0.63
$1,000-1,999	3.54	.69
$2,000-2,999	3.15	.73
$3,000-3,999	2.84	.81
$4,000-4,999	2.58	.83
$5,000-5,999	2.59	.85
$6,000-7,999	2.46	.87
$8,000-9,999	2.29	.84
$10,000 and over	2.21	.89
All households	2.84	.80

These data show a distinct inverse relationship between income group and quantity consumed per capita but a positive correlation between value of grain products consumed and income. Obviously, as income rises higher-valued products are consumed.

A statistical study of the above data separated consumption of flour and other cereal products and bakery products among 3 household income groups: Under $3,400; $3,400-4,999; and $5,000 and over. 6/ This study found rather strong associations between income and consumption at the low-income level but little relationship in the high-income group. Within the low-income households (non-farm), a 1-percent increase in income per person was associated with a decrease in consumption of 0.36 pounds of flour and other cereal products but an increase in consumption of 0.24 pounds of bread and other bakery products.

Price-Quantity Relationships

Between 1950 and 1964, the average retail price of cereal and bakery products rose 39 percent while the per capita consumption of flour used in all consumer products declined by 15 percent (table 10 and cover chart). Among major food groups, this price increase was second only to the rise for fruits and vegetables which rose 46 percent during the same period. They compare with only a 20-percent increase for the entire food-at-home index. All of the cereal and bakery products for which data are available participated in this price rise. The largest increase was for corn flakes--up 80 percent during the 14-year period (table 10). The increase in price for cornmeal was another stand-out--up 62 percent between 1950 and 1963. The price of white bread increased 45 percent, not much more than the entire cereal and bakery products group. The price increases for rice, up 29 percent, and for wheat flour, up 15 percent, were the least in the group.

6/ Rockwell, G. R., Income and Household Size: Their Effects on Food Consumption, Marketing Research Report No. 340.

Table 10.--Retail prices per pound of selected cereal, bakery, and related products, 1950-64 1/

Year	Rice, long grain	Wheat flour	White bread	Macaroni	Corn flakes	Rolled oats	Cornmeal	Potatoes	Sweet-potatoes	Dry beans
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1950	16.8	9.8	14.3	---	21.2	16.2	8.9	4.6	10.2	15.3
1951	17.8	10.4	15.7	---	26.3	17.7	9.6	5.1	11.8	16.7
1952	18.0	10.5	16.0	---	---	18.1	10.4	7.6	17.5	16.1
1953	20.0	10.5	16.4	---	28.9	18.3	12.6	5.4	16.6	17.0
1954	19.5	10.7	17.2	---	29.2	18.5	12.6	5.3	13.6	17.6
1955	2/19.8	10.8	17.7	---	29.3	19.1	12.6	5.6	13.8	18.3
1956	2/19.3	10.7	17.9	---	29.3	19.3	12.6	6.8	12.8	16.3
1957	2/19.5	10.9	18.8	---	30.9	21.9	12.7	5.7	14.7	16.1
1958	2/20.5	11.0	19.3	---	33.8	20.3	12.9	6.3	15.8	18.0
1959	21.0	10.9	19.7	---	34.1	20.4	13.0	6.3	13.8	17.2
1960	20.5	11.1	20.3	23.0	34.4	22.0	13.1	7.2	13.7	16.7
1961	20.7	11.2	20.9	23.4	35.2	22.4	13.2	6.3	14.8	17.0
1962	21.4	11.4	21.2	24.8	36.4	23.6	14.0	6.3	15.8	17.4
1963	21.6	11.4	21.6	25.0	37.7	24.1	14.4	6.5	13.9	17.8
1964	21.7	11.3	20.7	---	38.1	---	---	7.6	---	16.7

1/ Bureau of Labor Statistics data; adjusted, when necessary, to 1-pound unit.
2/ Estimated by Economic Research Service, USDA, from prices of short-grain rice.
3/ New series, based on revised sample beginning January 1964. On basis of the January-June overlap of the "new" and "old" price series, rice prices were unaffected by the change, but others were lowered as follows: Dry beans 5 percent, white bread and potatoes 4 percent, wheat flour 3 percent and cornflakes 1 percent.

There appears to be little relationship between changes in retail prices and the quantities of cereals consumed, according to most statistical studies. One reason is that the quantities of cereals consumed refer only to the cereal components of the final products whereas retail prices are for the consumer products that may include eggs, shortening, sugar, and other ingredients as well as the value of processing. Increased processing of these products suggests that cereals comprise a decreasing proportion of total consumption of cereal and bakery products. Since marketing activities accounted for 80 percent of the consumer's dollar spent for cereal and bakery products in 1964, trends in wage rates and prices of other marketing services appear to affect retail prices more than does consumption of cereal products (fig. 3). 7/

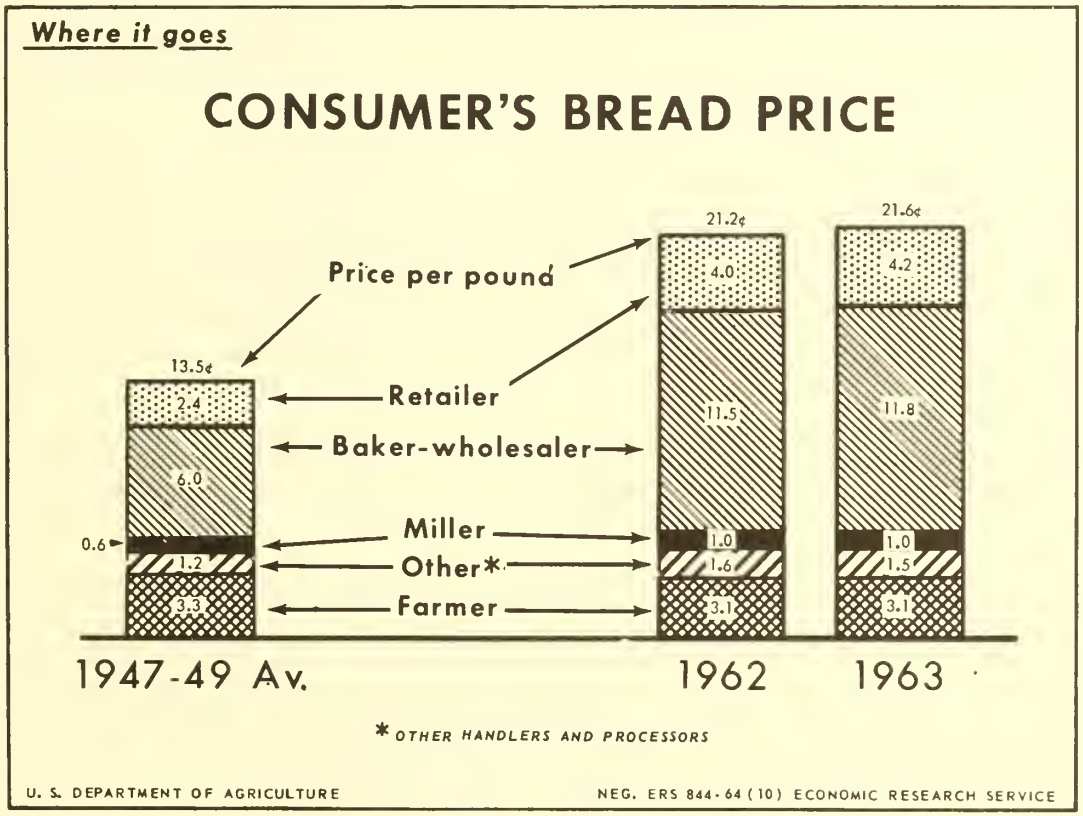

Figure 3

7/ Farm-Retail Spreads for Food Products, 1947-64, ERS-226, April 1965, p. 23.

NUMBER AND SALES OF FOOD AND BEVERAGE RETAILERS 1/

The number of food stores (establishments) decreased 17 percent between 1954 and 1963, according to the Census of Business (table 11). During this time, total sales of these stores increased by 44 percent. Part of the sales increase was due to price increases; retail prices of food for use at home increased 7 percent (table 13). Also, the proportion of sales of nonfood items has increased relative to food sales. Sales of alcoholic beverages and other nonfood items by food stores increased from 14.9 percent of total sales in 1954 to 22.5 percent in 1963, based on annual surveys conducted by Food Field Reporter. In addition, 1963 data include Alaska and Hawaii.

About three-fourths of all establishments classified as food stores are grocery stores. Remaining food stores have decreased in number faster than have the grocery stores, except for the retail bakeries. 2/ Retail bakeries was the only specialty food store group to show an increase in sales over the 1954-63 period, but its sales were up only half as much as sales by grocery stores. As a result, part of the large increase in sales by grocery stores was a substitution for food sales by other food stores.

The number of eating places increased 15 percent between 1954 and 1963 and their sales rose 59 percent. These strong uptrends are consistent with the tendency for away-from-home eating to increase at a more rapid pace than food purchased for home use from food stores. 3/ Also, prices have risen faster. Food away from home rose in price by 27 percent during the 9-year period (table 13). Among eating places, caterers and limited-line places of refreshment increased in number and size more rapidly than did restaurants, lunchrooms, and cafeterias.

Mail-order houses and vending machine operators selling mostly food products increased total sales substantially during the period under study.

1/ By Stephen J. Hiemstra, Food Consumption and Utilization Section, Economic Research Service.

2/ One reason for this decline was statistical; in 1954 leased departments in stores were counted as separate establishments but in 1963 they were not. Specialty businesses such as meat markets and fruit stores are more likely to be leased departments than are grocery stores. As a result, the decline in number of specialty food stores probably is overstated.

3/ When the Consumer Price Index was revised in January, 1964, food away from home was given an index weight of 20.2 percent of the all-food total compared with 18.0 percent in the "old" index. "Consumer Price Index Revision," National Food Situation, NFS-108, May 1964, pp. 18-24.

Table 11.--Number and sales of food and beverage establishments, 1954 and 1963

Kind of business	Number of establishments			Total sales			Sales per establishment	
	1954	1963	Percent change	1954	1963	Percent change	1954	1963
	No.	No.		Mil. dol.	Mil. dol.		Thou. dol.	Thou. dol.
Food stores	384,616	319,433	-17	39,762	57,079	+44	103	177
Grocery stores, including delicatessens	287,572	244,838	-15	34,901	52,566	+51	121	215
Meat markets	22,896	16,457	-28	1,944	1,530	-21	85	93
Fish (seafood) markets	4,458	3,630	-19	184	176	-4	41	48
Fruit stores, vegetable markets	13,136	8,874	-32	485	412	-15	37	46
Confectionery stores	20,507	14,979	-27	568	499	-12	28	33
Retail bakeries	19,034	18,631	-2	862	1,080	+25	45	58
Dairy product stores	17,013	6,346	-29	818	515	0	48	81
Egg and poultry dealers		2,697			154			57
Other food stores		2,981			147			49
Eating places	195,088	223,876	+15	8,731	13,919	+59	45	62
Restaurants, lunchrooms	1/127,488	156,477	+28	1/7,289	10,177	+52	57	65
Cafeterias		6,643			892			134
Refreshment places	25,261	51,624	+104	636	2,106	+231	25	41
Caterers	1/1,239	9,132	+637	1/91	745	+719	73	82
Drinking places	123,887	110,605	-11	4,360	4,493	+3	35	41
Liquor stores	31,240	40,188	+29	3,181	5,189	+63	102	129
Mail-order houses selling mostly food	1/114	175	+54	1/13	57	+338	114	326
Vending machine operators selling mostly food and beverages	1/1,332	3,243	+143	1/226	582	+158	170	180
House-to-house selling organizations selling mostly food	1/4,115	19,158	+366	1/708	750	+6	172	39

1/ Includes only establishments with payrolls.

1954 and 1963 Censuses of Business.

The comparative data in table 11 are not entirely consistent, however. The data for 1954 cover only the establishments that had a payroll. 4/ This same problem arose in comparing data on house-to-house selling operations; the number reported for 1954 appears to be substantially understated relative to that for 1963. There was actually a decline between 1954 and 1963 in number and sales of operators with a payroll. The data for vending machine operators do not include machines operated by establishments classified in other industries, which may be a sizable part of total vending machine sales.

In 1963, grocery store sales averaged $215,000 per establishment. This average is low compared to present-day concepts of a supermarket. The Super Market Institute defines a supermarket as a self-service store with minimum sales of $1 million a year; their members averaged $1.9 million in sales in 1963. 5/ Obviously, a large number of small stores kept average sales of the industry at a relatively low level. But, average sales by grocery stores rose by about three-fourths during the 1954-63 period. No doubt much of the increase was due to a decline in the number of small stores; details by sizes of stores and firms soon will become available from the 1963 Census of Business. Grocery store sales per establishment were 2 to 6 times larger than were average sales by the other groups of food stores in 1963 and were about 3 times larger than average sales by eating places. Cafeterias stand out as having the largest average volume per establishment among the groups of eating places.

4/ Data for 1963 that are comparable with those for 1954 (only establishments with payrolls) are as follows:

	Number of Establishments	Sales (Mil. dol.)
Restaurants, lunchrooms, cafeterias	134,180	10,671
Caterers	7,044	708
Mail-order houses selling mostly food	175	57
Vending machine operators selling mostly food and beverages	1,717	562
House-to-house selling organizations selling mostly food	1,994	438

5/ Super Market Institute, The Super Market Industry Speaks, 1964, Sixteenth Annual Report, p. 11.

COMMODITY REVIEWS

Meat

Per person consumption of red meat in 1965 likely will be down 3 to 4 percent from the 1964 record of 174.6 pounds, and slightly below 1963 consumption. Beef and veal consumption likely will be the same as or a little higher than in 1964 when consumption totaled 105.3 pounds per person. Consumption per person of pork may be down as much as 6 pounds from the 1964 level of 65.1 pounds, and lamb and mutton is expected to be down about a half pound from the 4.2 pounds of 1964.

Retail prices of red meat this year are expected to average moderately higher than in 1964. First quarter prices were up only slightly. However, prices for the second quarter and later are likely to show further gains from a year earlier. Pork will account for most of the rise in average price of total red meat.

Retail beef prices in April-June probably will average a little higher than first quarter prices and higher than those a year earlier. Third and fourth quarter prices also are expected to average above a year earlier, but not by as much as in the first half of the year. Veal consumption per person in 1965 is expected to be about the same as in 1964. Retail veal prices this spring and summer probably will average little changed from a year earlier. Lamb and mutton consumption is likely to be a little below a year earlier for the rest of this year. Retail lamb prices were well above a year earlier in first quarter 1965 and are expected to continue well above throughout the year.

Per capita supplies of pork in April-June are expected to be about a pound below the 15.6 pounds available per person in second quarter 1964. Larger declines are in prospect for the second half of the year when pork supplies are likely to be down more than 3 pounds per person from the 33.1 pounds in the second half of 1964. Retail pork prices in the first quarter were above a year earlier. Pork prices are expected to rise further in the second quarter and remain well above year-earlier levels through the second half of the year.

Fishery Products

Total supplies of edible fishery products in 1964 dropped fractionally below the previous year's all-time high. Imports rose again and provided nearly half of the supply from primary sources for the year. The domestic catch dropped.

Supplies were sufficient to maintain per capita consumption of commercially caught fish and shellfish at 10.6 pounds per person, edible weight. Per capita consumption of canned fishery products declined in 1964, offsetting a gain for fresh and frozen forms.

Species caught in larger quantities in 1964 than the year before included salmon, blue and king crabs, haddock and yellowfin tuna. But, many were caught in significantly lesser quantities, including Atlantic herring (sardines), shrimp, ocean perch, Pacific and Jack mackerel, albacore, bluefin, and skipjack tuna, and halibut.

At second quarter 1965, frozen stocks of fishery products were down more than a tenth from a year earlier. Holdings of fillets and steaks of cod, haddock, and ocean perch were substantially lower. Stocks of fish sticks and portions, halibut, whiting, shrimp, and spiny lobster tails were down also. On the other hand, crabs--including crab meat--were among a very few frozen items held in larger quantity than on March 31, 1964.

Although fishing effort is increasing seasonally, supplies likely will continue limited during the second quarter and prices will average higher than a year ago. Nearly half of the domestic catch for human food will be landed during June-September, with peak intensity being reached in July and August. Consequently, stocks of many popular frozen products will not be replenished until then.

Current market conditions will encourage imports of edible fishery products again this year, particularly shellfish and groundfish blocks. The United States continues to be the world's largest importer of fishery products even though unused resources with a potential perhaps as much as 5 times the present catch are available in waters usually fished by U. S. fishermen.

Poultry

Commercial production of chicken and turkey meat in January-March totaled 1,555 million pounds on a ready-to-cook basis, up from 1,515 million in these months last year. Higher poultry production also is in prospect for each of the remaining quarters of 1965. Per capita consumption of chicken and turkey is likely to reach a record high this year, about 1 pound above the 38.4 pounds in 1964. Essentially all of the increase will be in broilers; in 1964, 27.5 pounds of broilers were consumed per capita.

Volume of young chicken slaughter certified under Federal inspection in January-March was up 4 percent from a year earlier. Second quarter output will be increasing seasonally and is expected to be a little above the 1964 level because of larger hatchings of broiler chicks in February-April. July-December supplies of broilers and fryers may also exceed year-earlier levels.

Retail prices of fryers in January-March averaged 2 percent above the same 1964 period and are expected to continue a little higher through June. Less price competition from red meat and turkey is a factor in the higher prices. But if production continues above a year earlier, in the second half, as expected, fryer prices may weaken and average a little below those in July-December 1964.

Turkey consumption, seasonally small early in the year, is supplied by current production and cold storage withdrawals. Federally certified turkey

slaughter totaled 59 million pounds, ready-to-cook weight, in the first quarter, down 1 million pounds from January-March 1964. Cold storage holdings fell from 207 million pounds on January 1 to 134 million pounds on April 1. Last year, frozen turkey stocks declined 66 million pounds in the first quarter. April 1 holdings were 17 million pounds under April 1964.

In September-December, the main consumption period, turkey supplies are likely to be about the same as in those months last year. Retail prices during the period are not expected to differ much from September-December 1964. Consumption of turkey per capita in 1965 is expected to about equal the 7.2 pounds last year and be below the 1961 record of 7.4 pounds.

Eggs

Reduced hatchings of laying flock replacement chicks in recent months has materially changed the outlook for egg production, consumption, and prices for late in 1965. Because of the decrease in flock replacements, egg production by fall is likely to be significantly lower than a year earlier and retail egg prices somewhat higher. Egg output for all of 1965 may be down a little from 1964.

With some further population growth, egg consumption per capita this year is likely to drop significantly below the 314 eggs in 1964. Egg consumption per capita has declined each year from a post World War II high of 393 in 1951. However, population growth has been about offsetting, resulting in practically no change in aggregate consumption over the past 13 years. Between 1951 and 1964, retail egg prices declined 27 percent while per capita disposable income increased 53 percent.

Egg prices to consumers were 13 percent under a year earlier in the first quarter and at the lowest level for that period since 1960. The low prices resulted from a large expansion in egg production in late 1964 and early 1965. Since January, egg production has declined relative to a year earlier. First quarter output was up 1 percent from the 1964 level on a daily average basis; in the second quarter, it is likely to continue as high as or slightly higher than in the comparable period of 1964. But in the last quarter, production is expected to decline.

Second quarter retail egg prices probably will be seasonally low but may be slightly above a year earlier due partly to a strengthened storage demand for eggs. In the second half, they probably will show a much greater seasonal rise than in 1964 but by yearend prices probably will be up only slightly from October-December 1964.

Dairy Products

First quarter milk production was slightly above a year earlier. However, slightly less moved into consumption than in first quarter 1964. First quarter sales of fluid milk and cream products (milk equivalent) were down about 1 percent from a year earlier in urban markets. In the first quarter, Commodity

Commodity Credit Corporation (CCC) purchases and Payment-In-Kind (PIK) exports were about a fifth above a year earlier and Government-held stocks of manufactured dairy products increased from low levels at the beginning of 1965.

In 1964 total consumption of milk and dairy products (milk equivalent basis) was up about 1 percent from 1963, but consumption declined 2 pounds, to 627 pounds per capita. A further decline is expected in 1965.

First quarter retail prices of all dairy products were slightly higher than a year earlier. Increases in processing and distribution costs are likely to raise average retail prices slightly this year; in contrast, 1964 price gains were due primarily to higher prices received by farmers. Second quarter retail prices likely will decline seasonally from first quarter levels; however, increased support purchase prices of 1 cent per pound for butter and 0.5 cent for Cheddar cheese beginning April 1 may slightly increase retail prices for these products above a year earlier.

First quarter milk production was 1.5 percent above a year earlier on a daily average basis. Gain in output slowed in March because of cold weather. Production is increasing seasonally and may exceed 1964 levels during the second quarter, depending largely on weather, pasture conditions, and rate of grain feeding. First-quarter commercial stocks of all dairy products were seasonally low and about the same as a year earlier, on a milk equivalent basis. However, March 31 butter stocks were up 4 million pounds from March 1964 levels; cheese stocks were 9 million pounds lower.

Sales of fluid milk and cream products (fluid milk equivalent) are expected to gain 1 percent over 1964. Nationally, per capita consumption of fluid milk and cream in 1964 was 305 pounds, 2 pounds below 1963, and further decline is expected for 1965.

Despite heavy CCC donations for welfare, institutional, and school lunch programs, butter consumption per person in 1964 dropped to 6.8 pounds from 6.9 pounds in 1963. In 1965, consumption per person is likely to continue downward, primarily because of smaller domestic CCC donations. Donations for the school lunch program are expected to increase, but those for welfare use were discontinued during the first half of 1965 because of low CCC supplies. Welfare donations of butter are expected to resume in July.

Cheese consumption rose from 9.2 pounds per capita in 1963 to 9.3 pounds in 1964. The rise in consumption was due to greater commercial disappearance of American cheese. Commercial disappearance is likely to continue upward in 1965. Donations from CCC stocks for welfare and school lunch programs may rise slightly in 1965. They were 0.7 pound per person in 1964, same as in 1963.

Per capita use of nonfat dry milk in 1964 was 5.9 pounds, up slightly from 5.8 pounds in 1963. Household use of packaged nonfat dry milk was down slightly from 1963 but food processors increased their use.

The supply of evaporated milk in early 1965 was about the same as a year earlier because of larger stocks. However, per capita consumption for 1965 likely will continue downward. In 1964, domestic civilian consumption dropped to 9.0 pounds per person from 9.4 pounds in 1963.

Per capita consumption of ice cream in 1964 increased to 18.1 pounds from 17.9 pounds in 1963. In 1965, ice cream consumption is expected to remain at about the same level as in 1964; but ice milk output per capita is expected to increase.

Food Fats and Oils

During calendar 1965. domestic disappearance of edible fats and oils likely will increase about in line with population growth. Per capita consumption is estimated at about 47 pounds, or near the long-term average. A further downtrend is expected in the use of butter and lard (direct use), but continued increases in the use of margarine and shortening are anticipated. Cooking and salad oil use may be down slightly from record levels of last year.

Total supplies of food fats and oil during the 1964-65 marketing year (which began October 1, 1964) are about 4 percent below the record quantities of 1963-64. Total disappearance is expected to set new highs, due to increased exports; so carryover stocks on October 1, 1965, will be at levels below those of last October 1.

Smaller supplies this marketing year are due entirely to lower carryover stocks, since production is expected to be near last season's level. Carryover stocks of butter, lard, cottonseed oil, and soybean oil on October 1, 1964, all were smaller than a year earlier. Only the oil equivalent of soybeans was larger. Increased production of butter and edible vegetable oils in 1964-65 is expected to more than offset a decline in lard output.

Exports of food fats and oils (including the oil equivalent of soybeans) during 1964-65 are estimated at 5.4 billion pounds, or around 8 percent above last year. Increased exports of cottonseed oil, soybean oil, and soybeans are expected to more than offset substantial declines in butter exports and small declines in lard exports. The dock strike last January and February will have had little adverse effect upon this year's total food fat exports, other than to temporarily delay their movement.

During January-March 1965, retail prices of most of the major food fat products were above year-earlier levels. Prices for shortening were up 10 percent, margarine up 7 percent, cooking and salad oils up 5 percent, and butter and peanut butter each up 2 percent. Salad dressings were down about 1 percent from a year ago. These higher price levels reflect increases in wholesale prices of food fats and oils which began last fall. For the remainder of calendar 1965, retail prices of food fat products are expected to remain near current levels.

Fruits

Total supplies of fresh fruits this spring may not be greatly different from a year earlier. Supplies of oranges and grapefruit are expected to continue larger than last spring, while those of other fruits may be down somewhat. Supplies of most classes of processed fruits are expected to continue moderately to considerably larger than a year earlier from now at least until midsummer.

Retail prices for fresh fruits have held relatively steady during winter and spring, buoyed by strong consumer demand. However, prices for some fruits up substantially in supply, such as oranges, have sagged below year-earlier levels. Retail prices for the much larger supplies of processed fruits generally have declined to levels noticeably below a year earlier.

Fresh deciduous fruits, seasonally light in supply during winter and early spring, are entering the season of increased production. Most fruit areas wintered without serious weather damage to trees and fruit buds. The Pacific Northwest, where early-winter cold and late-March freezes caused some damage, was the main exception. Cold storage stocks of apples and pears, the principal 1964-crop fruits remaining for use this spring, on April 1 were somewhat smaller than a year earlier. These storage stocks were supplemented by the usual small imports of deciduous fruits from southern hemisphere countries.

Supplies of fresh strawberries, the earliest of new-crop fruits, likely will be moderately smaller this spring than last unless yields on the reduced acreage are up. But supplies of fresh peaches from the Southern States are expected to be up sharply this year in contrast to the light supplies last year, when a late-March freeze severely curtailed the crop. If the crop is in line with April 1 prospects, June and July peach supplies from these States probably will be much larger, and retail prices somewhat lower, than in the same months of 1964.

Bananas continue the leading imported fresh fruit. Bananas are now transported mostly as clusters in boxes in contrast to earlier movement as bananas on stems. Reductions in waste and spoilage in distribution channels, especially the retail store, are among the advantages of the box method of shipment. Net imports this year probably will not be greatly different in quantity from last year. This spring no great change from a year earlier seems likely in retail prices.

Supplies of fresh oranges are expected to continue moderately larger this spring than last because of the heavier Florida Valencia crop. But in summer, supplies may be about the same as in 1964 because this year's crop of California Valencias, the principal summer orange, is about as large as last year. Supplies of fresh grapefruit, mainly from the larger Florida crop, will continue about as large this spring as a year earlier. Summer supplies, mostly from California, probably will be lighter than last summer. Supplies of lemons are expected to continue smaller this spring and summer than a year earlier.

Prospective Florida supplies of fresh limes are up moderately this year. This spring retail prices for fresh oranges probably will remain lower, prices for grapefruit about the same, and prices for lemons higher than last spring.

Dried fruit supplies are expected to continue larger this spring and summer than a year earlier. Much of the increase results from the larger 1964 dried prune pack, the heaviest since 1956. But, a substantial part of the increase consists of raisins. Although total output in 1964 was below 1963, the volume of raisins was up because of the heavy loss from rain damage in 1963.

Remaining supplies of canned deciduous fruits from the record 1964-65 pack are much larger than a year ago and moderately above the unusually heavy supplies of 2 years ago. April 1 canners' stocks of 12 important items were 44 percent above a year earlier, with stocks of all items up. Stocks of applesauce, fruit cocktail, peaches, and pears accounted for about four-fifths of the total. Florida canners' stocks of grapefruit sections also were up sharply. In contrast, Hawaiian packers' stocks of canned pineapple were down about a tenth. Retail prices for most canned fruits are expected to remain moderately lower over the next few months than a year earlier.

Substantially larger supplies of frozen deciduous fruits and berries (excluding juices) from now until midsummer are indicated by stocks in cold storage. On April 1, total stocks were 36 percent above a year earlier, the result mainly of sharp increases in strawberries, cherries, and peaches, and a moderate increase in apples. From midsummer forward, supplies will depend much upon output from new-crop fruit.

Total supplies of fruit juices--especially frozen, canned, and chilled citrus juices--are expected to continue substantially larger from now until fall than a year earlier. To mid-April 1964-65, output of Florida citrus juices was much above a year earlier, because of the heavier crop. Further increases in output, especially of frozen orange concentrate, are expected before the season ends this summer. Packers' stocks of all major frozen and canned items in mid-April were sharply above a year earlier. Retail prices of leading canned and frozen citrus juices have been running lower this season than in 1963-64.

Vegetables

Supplies of fresh and processed vegetables are expected to be smaller this spring than last, and retail prices likely will average higher. Aggregate canned and frozen stocks are down moderately from 1964. Harvest of new-crop potatoes is increasing, but prices for potatoes continue much above a year ago due to light old-crop supplies in storage. Sweetpotato supplies are limited; prices likely will remain above a year earlier.

Acreages of many vegetables for early spring harvest were smaller this year than last. In addition, unfavorable weather retarded growth, resulting in below-normal fresh supplies during the first weeks of spring. In coming weeks,

however, harvests will become active in widespread areas; vegetable marketings will be seasonally heavy during the late-spring and summer. Early reports indicate that total spring production will be a little smaller than in 1964, with output of most major commodities down slightly. However, substantially smaller supplies are in prospect for onions and green peppers, and production of lettuce is down moderately. Only the spring tomato and sweet corn crops are expected to be larger than last year. Retail prices till midyear likely will be lower than those of recent weeks, and probably will average about the same as a year earlier.

Total canned vegetable supplies available for marketing into mid-1965 are down moderately from a year ago. Stocks of asparagus, snap beans, carrots, and sweet corn are considerably smaller than a year ago, but about average. Remaining supplies of canned lima beans, pumpkin and squash, peas, and sauerkraut are tight. The only items in larger supply this year are spinach, tomatoes, and tomato products. Total frozen vegetable stocks also are down moderately. Cold storage holdings of snap beans, Brussels sprouts, mixed vegetables, and spinach are larger than in 1964, but holdings of all other frozen vegetables are smaller. Retail prices for processed vegetables in recent months have been above year-earlier levels, and because of generally smaller stocks, prices probably will continue higher until new-pack supplies are available in late summer. Processors generally are planning more acreage this year. Supplies of canned vegetables for the marketing year beginning about mid-1965 may be about the same as those available this past year, while moderately larger frozen vegetable supplies are indicated. Per capita consumption of processed vegetables in 1965 is expected to total about the same as in 1964.

Prices for potatoes continue relatively high because of light storage holdings of old-crop potatoes. However, marketings of new-crop potatoes are increasing rapidly; seasonally heavy volume is expected in late spring. Output is up sharply from last year and moderately above average. Also, acreage intentions reports indicate 1965 summer and fall crops may be substantially above last year. Per capita consumption of potatoes for 1965 likely will be slightly below that in 1964. Although continued gains in use of processed potatoes are expected, fresh use may be down because of light supplies and high prices during the first half of 1965.

With limited supplies of 1964-crop sweetpotatoes remaining for spring marketing, retail prices probably will remain high. Very light supplies will be available from the 1965 crop in early summer, with harvest gradually increasing to the usual fall peak. Growers intend to increase acreage, and 1965 output may be larger than last year. Per capita consumption for 1965 likely will about match the low level in 1964.

Supplies of dry edible beans appear to be plentiful, although substantially below the heavy stocks of a year ago. Early reports indicate more acreage this year than in 1964; supplies next season, beginning September 1, may be substantially larger than those available this season. Per capita consumption in 1965 is expected to be about the same as last year.

Cereal Products

Food Grains

The supply of food grains continues to run well in excess of domestic food requirements for each of the various classes and kinds of grains.

Per capita consumption of wheat flour is estimated at 116 pounds for 1965, the same as that of the 2 preceding years. Total wheat processed for food will likely continue at the 500-million-bushel level of recent years. The 1965 Wheat Program will have no effect on the long-term upward trend in prices for consumer wheat products since the gross price for milling wheat continues around $2.00 per bushel.

Per capita consumption of rice is estimated at 6.8 pounds for 1965, about the same as in recent years. Population growth recently has been the major factor in increasing the quantity of rice used for food in the United States. Of the food grains, only rice has resisted the long-term downtrend in per capita consumption of other cereal grains in this country. Retail prices of food processed from rice probably will rise slightly during 1965, about in line with the previous trend, although the price support loan for 1965-crop rice is 21 cents per hundredweight below that for 1964.

Corn, Oats and Barley

Domestic consumption of corn sirup and corn sugar so far in 1965 have been a little below the high level in early 1964. During January-March 1965, 624 million pounds of corn sirup were shipped from processing plants for domestic consumption, a decrease of 4 percent from a year earlier. The 246 million pounds of corn sugar shipped for domestic use was 9 percent below last year's high level. Per capita consumption of corn sirup has gone up more than 50 percent since 1957 to a near-record high of 13.7 pounds in 1964. Corn sugar consumption increased more than a third during that period to around 4.4 to 4.5 pounds per capita in 1963 and 1964.

The 111 million bushels of corn used in the production of corn sirup, sugar, starch, and other wet-process products for domestic food uses in 1964 was 6 percent more than in 1963 and the largest of record. Consumption of cornmeal for domestic food use has declined for a number of years and is currently estimated at about 7 pounds per capita. Annual consumption of oat food products is currently estimated at about 3.5 pounds per capita and barley food products about 1 pound per capita. Per capita consumption data for corn and oat prepared cereals and dry-process products are subject to revision later this year when final reports of the 1963 Census of Manufactures are released.

The retail price of corn flakes in leading U. S. cities averaged 29 cents per 12-ounce package in March, up 3 percent from a year earlier. This increase was about the same as the average annual increase over the past 10 years.

Sweeteners

The supply of sweeteners for U. S. consumers probably will be abundant during the remainder of 1965. Sugar requirements for 1965 have been set at 9.2 million tons. However, the Secretary of Agriculture, in proposing this figure in October 1964, stated: "Actual consumption of sugar in 1965 is expected to be of the order of 9.8 or 9.9 million tons." Distribution of sugar to U. S. consumers in 1964 amounted to about 9.7 million tons, raw value. Domestic and foreign supplies of sugar are ample to provide 9.8 or 9.9 million tons for the United States this year, if needed. Sugar distribution during first quarter 1965 was above the unusually low level of the corresponding period of 1964 but below that of 1963.

The sale of noncaloric sweeteners continues to increase rapidly. Trade reports indicate that about 7 million pounds of cyclamates, the most important of the noncaloric sweeteners, were consumed in 1964. This was about 55 percent above 1963 consumption and 14 times the estimate for 1958. The cyclamates are generally considered to be about 30 times as sweet as sugar. At this ratio, 1964 cyclamate consumption was equivalent, in sweetness, to about 210,000 tons of refined sugar. Trade estimates indicate that two-thirds or more of current consumption of the cyclamates is by the soft drink industry, including the production of dry-beverage base materials. Retail sales accounted for about 12 percent of cyclamate total sales.

Production capacity for the cyclamates in the United States has increased even more rapidly than consumption. By the end of 1965, capacity is expected to total about 30 million pounds per year, 4 times 1964 consumption. Existing excess capacity will not be fully utilized for several years even at current high consumption levels.

Consumption of saccharin, oldest of the noncaloric sweeteners, has also sharply increased. Saccharin is generally considered to be about 10 times as sweet as cyclamate and 300 times as sweet as sugar. A considerable part of the increase in saccharin use apparently has been in mixtures with cyclamate, although data on these mixtures are not available. Production capacity for saccharin has doubled in recent years. At a reported 5 million pounds per year, production is greater, in terms of sweetness, than that for the cyclamates.

Increased consumption of noncaloric sweeteners has been accompanied by declining prices. Cyclamate, selling recently at $0.80 to $0.85 per pound, sold for $2.95 per pound in 1958. The price decline of saccharin has been much smaller, from $1.60 per pound in 1958 to $1.40 per pound since August 1964. However, in terms of sweetness, saccharin is still much cheaper than cyclamate. Prices of both corn sirup and corn sugar are slightly below that of refined sugar, on a dry-weight basis.

Only part of the increase in consumption of nonsugar sweeteners represents a substitution of these sweeteners for sugar. Some of it is used for purposes for which sugar is less well suited and some, particularly of the noncaloric sweeteners, is used by people who desire to restrict their intake of calories and use noncaloric sweeteners even though they would prefer to use sugar under other circumstances. However, as nonsugar consumption has increased, it is likely that more of it has been a substitute for sugar.

Coffee, Tea, Cocoa

Coffee

Natural disasters reduced Brazilian exportable production (defined as domestic production less domestic consumption) of coffee in 1964-65 to an estimated 3 million bags, 84 percent below 1963-64. This decline in supply contributed to higher coffee prices in 1964. The average wholesale price of Santos 4 at New York rose to 48 cents per pound, 38 percent above 1963, as dealers anticipated shortages. This was the highest annual average price recorded since 1958. The average retail price of canned and bagged coffee rose 20 percent in 1964. However, price declines for Santos beginning in October were reflected in lower coffee prices at retail in January-March 1965. Further price declines are anticipated later in 1965 because a larger Brazilian crop is predicted, and dealers have ample stocks on hand.

The wholesale price of Robusta beans, grown primarily in Africa and used increasingly in instant-coffee processing, has risen gradually since 1961. It reached a peak of 42.3 cents in January 1964, but declined to 28.5 cents in January 1965 due to expectations of returns to more normal world crops. Further declines are likely in 1965. Nevertheless, Robusta prices in 1964 averaged 30 percent above 1963 while prices of instant coffee at retail rose 16 percent.

Brazilian production of green coffee, normally around half of the world's total, dropped to 19 percent in 1964-65. However, Brazil, that generally exports 16-19 million bags, exported 14 million bags last year by drawing heavily from stocks. African coffee-producing countries shipped 31 percent of the world's total, or 14 million bags. African harvests have increased relative to South American in recent years. In 1964, Africa produced 81 percent as much as South America, whereas 25-50 percent has been the typical proportion.

U. S. coffee consumption continued its 15-year decline in 1964 to 15.3 pounds per capita, 2.5 percent below 1963. Consumption of regular coffee declined from 13.0 pounds per capita to 12.7. Consumption of instant coffee declined to 2.5 pounds per person down from 2.7 pounds in 1963, on a bean equivalent basis. Coffee roasted for instant use declined to 16.9 percent of total roastings in 1964, from 17.2 percent in 1963. Fourth quarter roastings totaled 750 million pounds, 10 percent below the year-earlier period.

U. S. coffee imports declined 5 percent in 1964 to about 3.0 billion pounds. Low imports in early 1965, due largely to the effects of the 40-day dock strike, likely will draw first quarter stocks below the 600-million-pound total on hand at the beginning of 1965.

The International Coffee Council in March approved a Brazilian "price indicator" plan to faciliate quota adjustments in response to price changes in an attempt to balance world supply and demand. The council is made up of

representatives of the International Coffee Agreement member countries. Quotas are to be adjusted automatically if a price, based on a weighted average of the principal Arabicas and Robustas, falls outside a range of 38-44 cents per pound (N. Y., ex-dock) for a weighted 15-consecutive day average. At the close of such a period, if no contrary action is voted upon, the executive board is empowered to increase or decrease annual quotas by as much as 6 percent.

The success of the Agreement depends upon the cooperation of members to limit production by crop diversification and other programs to correct conditions of oversupply on the world market. Further fixed price limits may prevent sharp fluctuations in U. S. coffee prices, which is the primary advantage of full U. S. participation in the International Coffee Agreement.

According to a study by the Pan American Coffee Bureau, fewer people are using cream in their coffee now than formerly. Fifty-eight percent of all coffee drinkers used a creaming agent in 1964 compared with 68 percent in 1956. Similarly, use of a sweetener in coffee declined around 2 percent since 1956. Consumption of these additives is inversely correlated with age; those 60 and older are an exception.

Regional differences in use of coffee additives were large. In the East, 80 percent used a creaming agent, in the West it was one-third, and in the Southern and North Central States, it was approximately 57 percent. Sweeteners were added to coffee mostly by persons under 20, and those living in the East. Only slightly more than one-third of coffee drinkers in the North Central and Western States added sugar. In the South, around 58 percent of coffee drinkers used a sweetener in 1964.

Cocoa

The New York spot price of cocoa beans (Accra) averaged 23.4 cents in 1964, 7 percent lower than 1963. As prices drifted downward, the Cocoa Producer's Alliance, consisting of Cameroun, Ghana, Ivory Coast, Nigeria, Togo, and Brazil, suspended sales in mid-October. However, ample stocks in consuming countries, and record crops in producing countries increased sales pressure. The Alliance removed the sales ban on February 1, 1965. Cocoa prices strengthened late in the year reflecting the sales ban and the uncertainty of a dockworkers' strike in January. Cocoa prices fell rapidly in early 1965, from 23 cents in January to 17 cents in March. Future trade contracts fell to their lowest level since 1937 in March at 13.98 cents for May delivery, but some price strength has been noted recently.

Effective disease and insect control programs and favorable weather were responsible for this year's record world production of nearly 3.5 billion pounds of cocoa beans. Members of the Cocoa Alliance produced over four-fifths of the world's supply in 1964-65. Ghana, the world's largest producer, produced 38 percent of the world total; about 45 percent of U. S. cocoa imports are from Ghana. Cocoa stocks in Ghana remain in excess of adequate storage capacity where large stocks have caused a problem of insect infectation due to inadequate fumigation.

The Cocoa Producer's Alliance established a committee on surplus cocoa which recommended that investigations be made into the possibility of diverting cocoa products into industrial uses that would compete with such products as cottonseed oil, soybean oil, lard, and non-edible tallow. Such competition would require a drop in price to under 5 cents per pound, so it is unlikely that such programs will be implemented soon.

Cocoa imports totaled 747 million pounds on a bean equivalent basis in 1964, down about 2.5 percent from 1963. Bean imports in December were 54.5 million pounds, 10 percent larger than average monthly imports for 1964. Larger imports are expected in 1965; low cocoa prices stimulated manufacturers to make large block purchases early in the year so inventories are expected to rise.

Grindings in 1964 rose 0.7 percent over 1963 to 588 million pounds. First quarter grindings were 3 percent higher than the same period a year ago. Consumption remained at 3.9 pounds per capita during 1964, the same as in 1963. Generally an increase in consumption follows a price decline in beans by about 6 months. Since dealers have purchased ahead into 1966, retail prices may decrease this summer, and consumption increases may follow. The possibility of an increase in the size of candy bars in 1965, with no price increase, may also stimulate consumption.

Tea

Tea consumption rose in 1964 to an estimated 0.69 pounds per person. This was 3 percent higher than 1963, and 15 percent above the 1957-59 average. Increased sales of instant tea contributed to the rise. In 1964, instant tea sales made up 19 percent of the total compared with 5 percent in 1960, according to the A. C. Nielsen Report to the Tea Industry. Instant tea sales may rise to 30 percent of the total tea market by 1970 if present trends continue. Instant tea consumption trends since 1960 have paralleled that of instant coffee growth 10 years earlier. Sales of packaged tea have declined from 30 percent of total tea sales in 1960 to 19 percent in 1964. Approximately 55 percent of the total tea sold last year was purchased in bag form.

The average 1964 retail price per 48-bag pack was 62 cents, down 2 percent from the previous year. Retail prices continued to dip slightly in early 1965. Lower prices reflected a 3-percent drop in the wholesale price of black tea from 1963 to 1964. Imports in 1964 rose 6 percent over 1963 to the largest quantity imported in the past 46 years. Most U. S. imports, about 44 percent of the total, were from Ceylon. Ceylon's crop declined slightly last year, following a series of record harvests since 1960. India, second major U. S. supplier in 1964, shipped 25 million pounds to the United States.

Present trends suggest a slight increase in tea consumption in 1965. Beginning-year stocks remained unchanged from a year earlier. Recent active buying likely will compensate for early-year imports that were reduced because of the dock workers' strike.

Table 12.--Production of major food commodities, calendar years, selected periods, 1947-65 1/

Commodity	Unit	Average 1947-49	Average 1957-59	1962	1963	1964 Prelim-inary	Preliminary indications for 1965 2/	1965 as a percentage of 1947-49	1965 as a percentage of 1957-59	1965 as a percentage of 1964
Meats (carcass weight) - Total	Mil.lb.	22,100	26,612	28,989	30,593	32,672	31,860	144	120	98
Beef	Mil.lb.	9,649	13,704	15,320	16,448	18,405	18,700	194	136	102
Veal	Mil.lb.	1,454	1,240	1,016	928	1,002	1,010	69	81	101
Lamb and mutton	Mil.lb.	716	711	809	770	716	650	91	91	91
Pork (excluding lard)	Mil.lb.	10,281	10,957	11,844	12,447	12,549	11,500	112	105	92
Poultry and eggs 3/										
Eggs	Mil.doz.	5,086	5,475	5,367	5,318	5,379	5,375	106	98	100
Chicken (ready-to-cook)	Mil.lb.	2,753	4,880	5,840	6,077	6,252	6,460	235	132	103
Turkey (ready-to-cook)	Mil.lb.	491	1,065	1,304	1,342	1,433	1,480	301	139	103
Dairy products										
Total milk	Bil.lb.	4/116.3	123.3	126.0	125.0	126.6	127.5	110	103	101
Cheese 5/	Mil.lb.	1,160	1,396	1,592	1,631	1,703	1,775	153	127	104
Condensed and evaporated milk	Mil.lb.	3,497	2,789	2,409	2,374	2,388	2,300	66	82	96
Ice cream (product weight)	Mil.lb.	2,758	3,212	3,381	3,440	3,516	3,550	129	111	101
Fats and oils - Total fat content 6/	Mil.lb.	7,627	11,070	13,328	13,653	14,017	14,864	195	134	106
Butter, (actual weight)	Mil.lb.	1,611	1,477	1,579	1,453	1,460	1,475	92	100	101
Lard 7/	Mil.lb.	2,419	2,584	2,480	2,476	2,481	2,375	98	92	96
Margarine (actual weight)	Mil.lb.	839	1,549	1,726	1,794	1,857	1,885	225	122	102
Shortening	Mil.lb.	1,434	2,022	2,689	2,561	2,649	2,700	188	134	102
Other edible fats and oils 8/	Mil.lb.	3,912	7,297	9,577	10,007	10,361	11,302	289	155	109
Fruits										
Fresh:										
Citrus	Mil.lb.	8,783	6,695	6,180	4,852	5,630	6,200	71	93	110
Apples (commercial)	Mil.lb.	3,775	3,972	3,784	3,766	4,200	4,000	106	101	95
Other (excluding melons)	Mil.lb.	4,493	4,082	4,079	3,687	4,173	4,100	91	100	98
Processed:										
Canned fruit	Mil.lb.	2,597	3,591	4,922	4,371	5,417	5,000	193	139	92
Canned fruit juices	Mil.lb.	2,230	2,177	2,797	2,946	2,605	3,000	135	138	115
Frozen (including juice)	Mil.lb.	415	1,556	2,037	1,233	1,513	1,700	410	109	112
Dried	Mil.lb.	961	697	722	775	831	750	78	108	90
Vegetables 9/										
Fresh 10/	Mil.lb.	18,504	19,921	21,023	21,391	20,976	21,200	115	106	101
Canned	Mil.lb.	5,993	7,620	9,258	8,615	8,438	8,735	146	115	104
Frozen	Mil.lb.	439	1,183	1,493	1,452	1,438	1,500	342	127	104
Potatoes and sweetpotatoes										
Potatoes	Mil.cwt.	248	252	267	272	243	285	115	113	117
Frozen potato products	Mil.lb.	9	287	762	862	1,118	1,200	13,333	418	107
Sweetpotatoes	Mil.cwt.	25.3	18.2	19.4	15.8	15.3	16.0	63	88	105
Dry edible beans 11/	Mil.lb.	1,854	1,797	1,860	2,061	1,781	2,100	113	117	118
Dry field peas 11/	Mil.lb.	401	376	496	476	474	410	102	109	86
Melons 10/	Mil.lb.	4,061	4,454	4,478	4,743	4,378	4,400	108	99	101
Sugar, raw basis	1,000 tons	2,066	2,732	4,399	4,870	5,586	5,550	269	203	99
Grains										
Wheat	Mil.bu.	1,251	1,178	1,094	1,142	1,290	1,298	104	110	101
Rye	Mil.bu.	23.1	28.3	40.8	29.2	33.5	32.0	139	113	96
Rice, rough	Mil.cwt.	35.3	45.7	54.2	66.1	70.3	73.1	207	160	104
Corn, grain only	Mil.bu.	2,787	3,409	3,637	4,092	3,549	4,100	147	120	116
Oats	Mil.bu.	1,282	1,248	1,020	979	882	865	67	69	98
Barley	Mil.bu.	279	447	436	406	403	339	122	76	84
Peanuts, farmers' stock basis	Mil.lb.	2,128	1,613	1,810	2,022	2,205	2,229	105	138	101

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated.
2/ Based on the best available information but subject to revision in line with later data from the Crop Reporting Board.
3/ Includes an allowance for nonfarm production.
4/ Includes an allowance for nonfarm production of 1.1 billion pounds in 1947-49.
5/ Excludes full skim, cottage, pot, and bakers' cheese.
6/ Includes butter, lard, and "other edible fats and oils."
7/ Includes amount used in manufactured food and nonfood products.
8/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils, oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items.
9/ Excludes potatoes and sweetpotatoes.
10/ Covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use.
11/ Cleaned basis.

Table 13.--Retail food price indexes and Consumer Price Index, selected periods

(Index, 1957-59=100)

Year and month	Food at home											Food away from home	All food	Consumer Price Index
	Meat 1/	Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fruits and vegetables	Cereal and bakery products	Sugar and sweets	Beverages	Total			
1935-39	37.8	68.7	28.9	60.3	45.9	65.4	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.7	132.5	86.4	122.7	88.3	117.9	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	91.4	126.1	89.0	104.7	84.7	94.2	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	103.6	132.1	101.6	127.4	94.5	110.3	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	102.6	132.6	99.0	116.3	98.5	93.5	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	95.8	129.3	95.3	123.2	96.8	93.9	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	95.3	116.7	95.8	103.1	93.7	98.9	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	87.7	121.5	93.9	106.5	93.6	95.9	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	84.8	106.5	93.8	105.9	96.0	98.0	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	94.2	103.8	95.0	100.9	98.8	102.4	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	104.9	102.6	101.6	106.1	100.3	101.2	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	101.0	93.5	103.4	92.9	101.0	96.5	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	99.2	95.0	103.5	100.1	103.2	92.1	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
1961	100.5	85.8	105.8	100.1	104.8	98.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2
1962	102.5	90.7	110.2	94.6	104.1	98.5	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4
1963	100.9	89.3	110.0	96.0	103.8	95.7	111.0	109.1	110.1	90.4	103.5	113.2	105.1	106.7
Jan.	103.6	90.0	111.0	103.1	103.8	96.8	106.4	108.7	102.0	88.9	103.2	112.3	104.7	106.0
Feb.	102.8	91.0	110.0	100.1	103.6	96.8	109.4	109.2	102.6	89.1	103.5	112.5	105.0	106.1
Mar.	101.2	91.1	110.4	98.6	103.5	96.2	109.6	109.1	102.9	88.9	103.0	112.6	104.6	106.2
Apr.	98.3	89.8	110.5	96.1	102.9	96.0	112.0	109.2	103.1	88.7	102.6	112.8	104.3	106.2
May	98.1	88.5	111.1	85.2	102.8	95.5	113.9	109.3	106.0	89.2	102.5	112.9	104.2	106.2
June	98.6	89.4	110.3	83.6	102.8	95.3	115.6	109.2	121.2	89.9	103.4	113.0	105.0	106.6
July	100.9	88.9	109.7	88.2	103.3	95.4	118.7	109.2	117.9	91.3	104.8	113.1	106.2	107.1
Aug.	102.6	88.1	109.1	91.7	104.2	95.7	114.2	109.1	114.0	92.0	104.5	113.3	106.0	107.1
Sept.	102.6	89.0	109.2	102.8	104.3	95.4	108.1	109.1	110.0	91.8	103.8	113.6	105.4	107.1
Oct.	101.4	88.5	108.8	103.6	104.6	95.2	106.3	109.1	109.9	91.6	103.2	114.0	104.9	107.2
Nov.	100.4	88.5	109.5	99.2	104.8	95.1	108.2	109.1	114.3	91.8	103.4	114.0	105.1	107.4
Dec.	99.7	89.0	109.7	99.6	105.0	95.4	109.8	109.0	117.0	92.1	103.7	114.3	105.4	107.6
1964 6/	99.4	87.3	107.4	95.0	104.7	95.4	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.1
Jan.	99.0	87.4	108.8	106.0	105.0	96.2	112.4	109.1	117.9	93.4	104.2	114.3	105.8	107.7
Feb.	99.0	87.1	108.5	101.4	104.8	95.9	113.9	109.0	118.3	95.7	104.4	114.4	106.0	107.6
Mar.	97.9	86.5	107.1	93.3	104.5	95.1	115.1	108.8	117.6	98.6	104.0	114.7	105.7	107.7
Apr.	97.7	85.7	107.1	90.8	104.1	95.4	115.7	108.8	117.0	101.0	103.9	114.9	105.7	107.8
May	97.3	85.7	106.9	85.3	103.9	95.0	115.7	108.9	116.6	102.4	103.7	115.0	105.5	107.8
June	97.2	87.5	106.5	83.3	104.0	94.6	120.2	109.2	115.5	103.4	104.4	115.1	106.2	108.0
July	99.5	89.1	106.5	87.9	104.3	95.0	122.3	109.2	114.3	103.8	105.7	115.2	107.2	108.3
Aug.	100.2	87.5	106.6	93.8	104.4	94.7	117.3	109.6	114.2	104.1	105.3	115.3	106.9	108.2
Sept.	103.0	87.7	106.4	104.9	104.6	94.7	112.2	109.9	114.0	103.7	105.6	115.5	107.2	108.4
Oct.	101.9	88.2	107.2	100.3	105.3	95.4	111.7	110.4	113.9	103.4	105.3	115.7	106.9	108.5
Nov.	100.4	87.8	108.0	98.5	105.3	96.1	113.0	110.7	113.7	103.4	105.1	115.9	106.8	108.7
Dec.	99.8	87.9	108.7	94.9	105.6	97.6	114.5	111.0	113.4	103.4	105.1	116.0	106.9	108.8
1965														
Jan.	100.1	86.7	109.3	91.6	105.6	100.7	112.4	111.1	113.5	103.3	104.8	116.1	106.6	108.9
Feb.	100.0	89.2	110.1	86.1	105.2	102.2	113.3	110.7	113.3	103.0	104.8	116.3	106.6	108.9
Mar.	100.5	88.1	109.9	83.5	105.0	102.5	115.3	110.9	113.6	101.5	105.0	116.5	106.9	109.0

1/ Beef, veal, lamb and mutton, pork, and processed meat. 2/ Chicken only prior to 1964. 3/ Includes butter. 4/ Excludes butter. 5/ Data not collected prior to 1953. 6/ Revised beginning January 1964. Item selection and quantity weights reflect the buying pattern of wage earners and clerical workers in 1960-61 and for the first time include single person families. Series are linked at December 1963. The averages for fats and oils after December 1963 are computed by Economic Research Service using data for additional items to those in the CPI.

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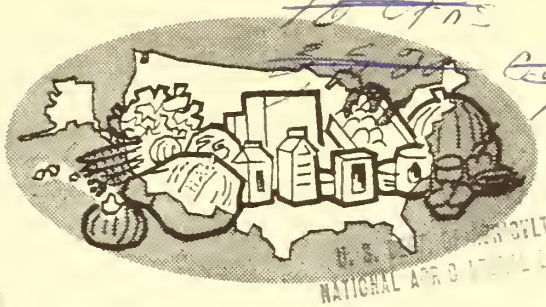
NATIONAL FOOD SITUATION



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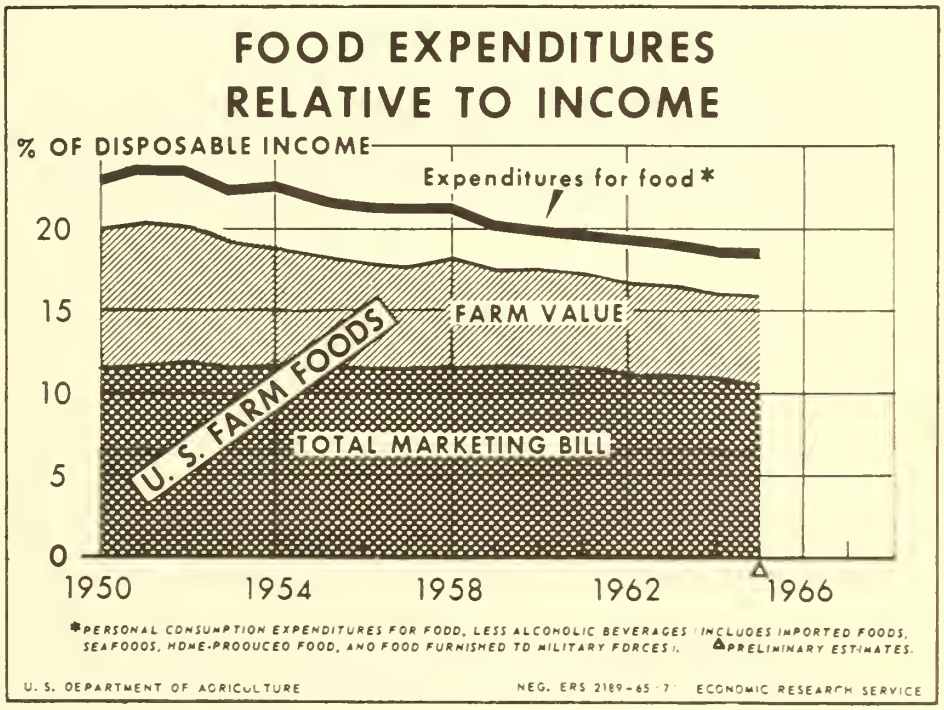
Food expenditures in first half 1965 increased 6 percent above first half 1964. Disposable income rose at a slightly faster rate. For the year, food expenditures as a proportion of income may again decline slightly from the 18.5 percent in 1964.

Since 1950, the proportion of civilian expenditures for food comprising the farm value of food products originating on U. S. farms has declined relative to consumer disposable income. But, the proportion going to pay for processing and marketing of U.S. farm food products has remained about steady relative to income. For 1965, however, the farm value is expected to increase more than disposable income and the marketing bill less than income.



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IN THIS ISSUE

RETAIL FOOD PRICES

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Table 1.--Volume of farm marketings and home consumption 1/

(Index numbers, 1957-59=100)

Item	1947-49 average	1958	1959	1960	1961	1962	1963	1964	1965 Indications 2/	1965 as a percentage of 1947-49	1965 as a percentage of 1964
Marketings and home consumption of all farm commodities	86	101	104	107	108	109	114	116	115	134	99
Food marketings and home consumption	87	100	103	104	107	107	111	114	114	131	100
Food marketings	82	100	103	105	109	109	113	117	116	141	99
Total food livestock 3/	79	98	103	104	108	110	114	118	117	148	99
Meat animals	81	97	103	105	108	110	116	121	118	146	98
Poultry and eggs	66	100	105	105	113	113	116	120	123	186	102
Dairy products	84	100	100	102	106	107	107	109	110	131	101
Total food crops 4/	98	104	105	108	110	107	110	113	114	116	101
Food grains 5/	102	114	106	117	114	102	111	119	120	118	101
Vegetables 6/	91	99	103	104	109	110	110	106	107	118	101
Fruit and nuts 7/	92	94	106	99	103	107	101	103	105	114	102
Sugar crops	78	97	105	105	115	117	152	154	156	200	101
Home consumption	161	100	94	87	81	75	73	67	63	39	94
Livestock	159	99	93	82	75	73	69	64	60	38	94
Crops	168	104	97	98	94	80	83	75	71	42	95
Nonfood marketings 8/	82	104	109	114	110	116	125	123	120	146	98

1/ Quantities of farm products weighted by average 1957-59 farm prices since 1955, 1947-49 prices in earlier years. Excludes Alaska and Hawaii. 2/ Indications for 1965 are based on calendar-year quantities estimated as of July, 1965. 3/ Includes honey. 4/ In addition to the crops listed below, includes peanuts, peppermint, popcorn and spearmint. 5/ Wheat, rye, rice and buckwheat. 6/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans and melons 1955 to date. 7/ Except peanuts and, beginning 1955, melons. 8/ There are no nonfood items in the home consumption index.

Table 2.--Food consumption per capita 1/

(Index, 1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy, ex-cluding butter	Fats and oils, in-cluding butter	Fruits 2/			Vegetables 3/			Potatoes and sweet-potatoes	Cereal products	Sugar and sweeteners	Coffee, tea and cocoa	All food		
							Fresh	Processed	Total	Fresh	Processed	Total					Animal products	Crops 4/	Total
1910	96	49	107	82	70	101	148	14	80	114	24	85	208	149	54	65	87.2	87.0	86.9
1920	90	45	113	81	80	91	154	31	92	119	30	90	163	129	63	79	85.4	87.7	86.2
1930	85	52	97	89	83	113	145	35	89	126	47	100	138	131	85	81	86.3	95.7	89.9
1940	93	52	102	86	87	115	153	57	105	130	57	107	127	120	86	101	91.0	100.7	94.8
1941	94	56	108	84	90	116	161	53	107	129	61	107	134	121	94	104	92.3	103.6	96.7
1942	93	63	84	84	96	112	137	52	94	134	67	112	136	122	83	86	93.5	99.2	95.6
1943	98	78	75	92	96	97	122	45	84	139	61	114	137	135	77	81	96.2	98.7	97.0
1944	103	70	84	94	98	96	146	45	95	147	61	119	145	124	84	96	98.4	103.0	100.1
1945	97	76	94	107	104	91	144	57	101	150	74	126	129	130	69	100	99.4	104.0	101.0
1946	102	70	101	101	110	91	144	78	111	139	83	121	128	128	74	122	101.6	106.6	103.5
1947	102	64	96	104	104	97	149	67	108	127	76	111	126	115	94	108	100.0	103.8	101.4
1948	95	63	101	106	100	95	138	69	104	125	72	108	105	114	89	112	96.0	101.7	98.1
1949	95	67	102	105	99	98	135	73	104	118	75	104	109	113	91	115	96.1	101.5	98.1
1950	95	73	111	108	99	104	120	79	100	114	81	104	105	112	101	103	97.6	102.5	99.4
1951	90	77	106	109	99	94	125	78	102	111	84	103	105	115	94	105	95.8	100.8	97.6
1952	95	80	105	109	100	97	120	88	104	108	88	103	95	113	98	105	98.1	102.1	99.5
1953	102	79	103	106	99	98	113	90	102	106	91	102	100	110	97	107	100.0	101.6	100.5
1954	101	84	104	105	100	102	108	91	101	104	90	100	100	108	99	95	100.2	100.9	100.4
1955	106	79	97	104	101	103	102	98	100	104	96	102	101	102	100	96	101.7	100.4	101.1
1956	108	88	98	103	102	101	103	100	102	103	98	102	97	101	101	101	103.6	100.6	102.3
1957	102	94	97	102	101	99	101	103	102	102	98	101	98	99	98	100	100.6	99.6	100.2
1958	97	101	98	99	100	100	98	97	97	99	101	100	97	101	101	98	98.5	99.4	98.9
1959	101	105	105	99	100	101	101	100	101	98	101	99	105	100	101	102	100.9	101.0	101.0
1960 5/	102	102	102	94	99	99	98	104	101	100	102	100	109	99	102	101	99.9	101.6	100.7
1961 5/	101	112	102	91	97	99	95	102	98	99	102	100	110	98	102	102	99.6	101.1	100.3
1962 5/	102	110	102	91	97	99	90	106	98	96	107	99	114	97	103	104	99.9	101.1	100.4
1963 5/	105	112	101	89	98	100	82	97	89	96	107	99	119	97	102	106	101.2	100.8	101.1
1964 5/ 6/	109	115	100	88	98	103	87	95	91	93	110	98	120	98	103	102	102.9	100.9	102.0
1965 5/ 7/	104	119	102	86	98	101	91	106	98	94	109	98	121	98	103	101	100.9	102.0	101.4

1/ Civilian consumption, beginning 1941. Individual food items are combined in terms of 1947-49 retail prices through 1954, 1957-59 retail prices thereafter; indexes are linked at 1955. 2/ Excluding melons and baby food. 3/ Excluding soups, baby food, dry beans and peas, potatoes, and sweetpotatoes. 4/ Including melons, dry beans and peas, nuts, soups, and baby food in addition to groups shown separately. 5/ Incorporates data for Alaska and Hawaii. 6/ Preliminary. 7/ Preliminary indication.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, August 3, 1965

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SUMMARY

Retail food prices advanced during the second quarter of 1965; prices averaged 1.6 percent above the first quarter and 2.5 percent above a year earlier. Largest increases were for fats and oils, meats, fresh vegetables, and potatoes. Partly offsetting were price declines for oranges, sugar, and coffee. Part of the price increase between the first and second quarters was seasonal. But, much of the price increase was due to reduced supplies and increased prices for farm products. Prices received by farmers in the second quarter averaged 6 percent above a year earlier, and wholesale prices of processed foods were up 5 percent.

Fewer supplies of fresh vegetables in early spring caused rapid price rises for lettuce, cucumbers, and some other sensitive items. But, by late spring, supplies rose above year-earlier levels and wholesale prices dropped. Potato prices continued to rise through June in response to low carryover stocks from last fall's short crop. Meat prices responded to a sharp cutback in production of pork in the first half and reduced beef production in the second quarter. Higher retail prices for fats and oils followed wholesale price increases last winter and early spring, partly the result of worldwide short supplies of oils.

Winter production of oranges and grapefruit was above low levels of a year earlier so prices for fresh products and frozen concentrate in the first half remained relatively low compared with a year earlier. The early-season

peach crop in the Southern States was about triple the size of the freeze-damaged crop of a year earlier. Sugar prices remained steady in the first half at levels well below a year earlier. Coffee prices, particularly for instant coffee, sagged during the first half in anticipation of increased supplies in the marketing year beginning this fall.

Retail food prices typically peak in July and decline seasonally into the fall and winter months. This year, prices may continue relatively high through summer. Food prices may decline seasonally late in the year, but likely will remain well above a year earlier.

Total food use of farm products is expected to show little change this year. But, due to population growth, per capita food consumption may decline slightly this year following 2 years of larger than usual increases. Sizable declines for pork and lamb and small per capita declines for eggs, fats and oils, coffee, and fresh potatoes are expected to more than offset increased consumption of poultry meat, fruits, and processed potatoes.

Food expenditures in first half 1965 exceeded those in first half 1964 by 6 percent. Increased employment and higher wages contributed to an increase of more than 6 percent in disposable income. Food expenditures this year likely will account for about the same or slightly smaller percentage of income after taxes than the 18.5 percent spent for food in 1964.

RETAIL FOOD PRICES

Retail food prices rose sharply for some foods during the second quarter after having remained relatively steady at 0.8 percent above a year earlier during the first quarter (table 13). Increases were largest for fats and oils, meats, poultry, fresh vegetables, and potatoes. But prices of oranges, peaches, sugar, and coffee were lower, particularly when compared with a year earlier.

Second quarter retail food prices averaged 2.5 percent above the year-earlier quarter. Prices of food consumed at home increased 2.7 percent compared with only a 1.7-percent increase for prices of food away from home. This was a switch from the usual pattern. Prices appeared to be particularly high when compared with second quarter 1964, partly because prices were unusually low at this time last year. May prices marked the low of the year in 1964. In June, prices averaged 4 percent above a year earlier.

Retail food prices so far this year have increased slightly faster than has the entire Consumer Price Index, particularly in the second quarter. In June, both indexes stood at 110.1 percent of the 1957-59 average. The 10.1 percent increases for all food was a composite of an 8.8-percent increase for food at home and a 17.2-percent increase for food away from home.

In the first 6 months of 1965, retail food prices increased 2 percent above first half 1964. This increase compared with a 1.2-percent advance for all of 1964 (fig. 1). Prices probably will reach the high for the year in the third quarter. Although some decline may occur late in the year as food supplies increase seasonally, prices are expected to remain well above a year earlier.

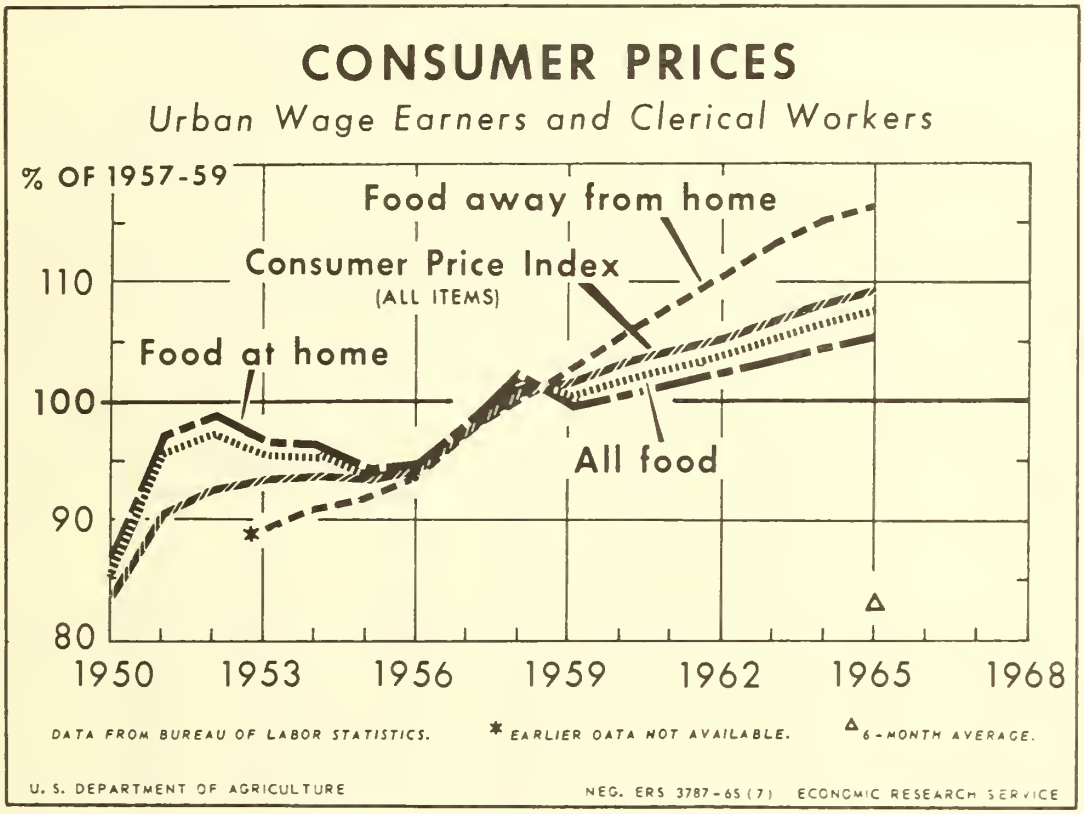

Figure 1

Prices Rose More Than Seasonally in First Half Year

Average retail food prices typically are highest in July when food supplies are at their lowest levels (table 3). Prices in June usually average nearly 2 percent above levels established in the winter months of January-February. This year's increase of 3.3 percent between January and June in the all-food average was 2.0 percent on a seasonally adjusted basis. Normally, retail food prices decline during the peak harvest months of the fall to reach seasonally low levels about November that carry into the winter months.

Table 3.--Indexes of seasonal retail price variation 1/
(Annual average=100)

Month	Food consumed at home	Beef and veal	Pork	Frying chickens	Eggs	Dairy products	Fresh fruits and vegetables
January	99.4	99.8	97.5	98.7	101.1	100.8	97.3
February	99.3	99.8	97.1	101.5	96.6	100.6	98.1
March	99.4	99.8	97.1	103.7	95.9	100.1	98.6
April	100.1	100.8	99.1	103.1	93.7	99.3	103.3
May	100.1	100.8	100.1	101.5	89.5	98.8	105.4
June	101.0	100.6	102.9	101.5	88.0	98.5	111.0
July	101.4	100.7	104.2	103.7	94.9	99.1	107.6
August	100.4	99.9	103.6	101.1	100.8	99.6	99.3
September	100.2	99.9	102.7	99.0	111.0	100.5	94.8
October	100.0	99.7	100.4	95.7	112.0	101.0	94.6
November	99.5	99.0	97.8	95.8	110.0	100.9	94.8
December	99.4	98.9	97.1	95.1	106.5	101.0	95.6
Standard deviation	.2	.4	.7	.6	1.7	.1	1.0

1/ Indexes based on Bureau of Labor Statistics' data reported prior to CPI index revision in January 1964.

Compiled from Seasonal Factors, Consumer Price Index: Selected Series, June 1953-May 1961, Bureau of Labor Statistics Bul. No. 1366. Also see "Seasonality in Retail Food Prices," National Food Situation, NFS-106 (November 1963), pp. 17-22, by Stephen J. Hiemstra for charts and analysis of these data.

Meats--particularly pork, eggs, and fresh fruits and vegetables exhibit more price seasonality than do most other foods. The pork price increase of 13 percent between January and June was only 7 percent, seasonally adjusted. The increase of 22 percent for fresh fruits and vegetables also was 7 percent, seasonally adjusted. Though prices of fresh fruits and vegetables as a group usually peak about June, much variation exists among individual items. Many fresh vegetable prices usually are past their peaks by June. Seasonal price movements for eggs and dairy products are not typical of most foods: They usually reach their seasonal lows during the summer period of peak production, though prices of dairy products exhibit relatively small seasonal variations. Egg prices normally decline between January and June but rise sharply into the fall months. This year, egg prices began the year unusually low and remained about steady during the second quarter.

Retail Prices Follow Wholesale Prices

Retail food price changes typically follow fluctuations in prices of wholesale processed foods and prices of farm products when there are significant movements. 1/ In 1964, the low point in retail prices came in June, on a seasonally adjusted basis (fig. 2). This low point followed by 1 month the low point in May of wholesale processed foods and followed by 2 months the low mark in April of farm product prices (BLS Wholesale Price Index) 2/. Similarly, the current rise in retail food prices has followed large increases in wholesale prices of processed foods and farm products. The increases that showed up at retail in May and June resulted from wholesale price increases in April and May. Accentuated increases at wholesale in June presage additional price increases at retail at least through July. But, weekly wholesale prices stabilized during July.

Prices received by farmers for all farm products rose 2 percent between May and June to a point 8 percent above January and 10 percent above June 1964. In July, prices declined 1 percent. Prices paid by farmers for food and tobacco in July were 5 percent above a year earlier, half of 1 percent above June, according to Statistical Reporting Service. Prices of pork products and potatoes made the most advance in July. The average of all prices paid by farmers, including interest, taxes, and wage rates, was 3 percent above a year earlier in July.

1/ In addition, retail and wholesale processed food prices have trended upward independently of farm product prices. Note that the price comparisons in fig. 2 are all computed on a 1957-59 basis. Even after the recent advance, farm product prices in June only equalled their 1957-59 average, whereas retail prices were much higher. 2/ The Wholesale Price Index for processed foods exhibits about the same amount of seasonality as the average for retail food prices; the peak in July is 1.5 percent above the low in November and December. The farm product component of the Wholesale Price Index, however, has more seasonal movement than retail food prices. The peak which occurs in April (leading retail prices by 3 months) is 3.7 percent above the low which occurs in December.

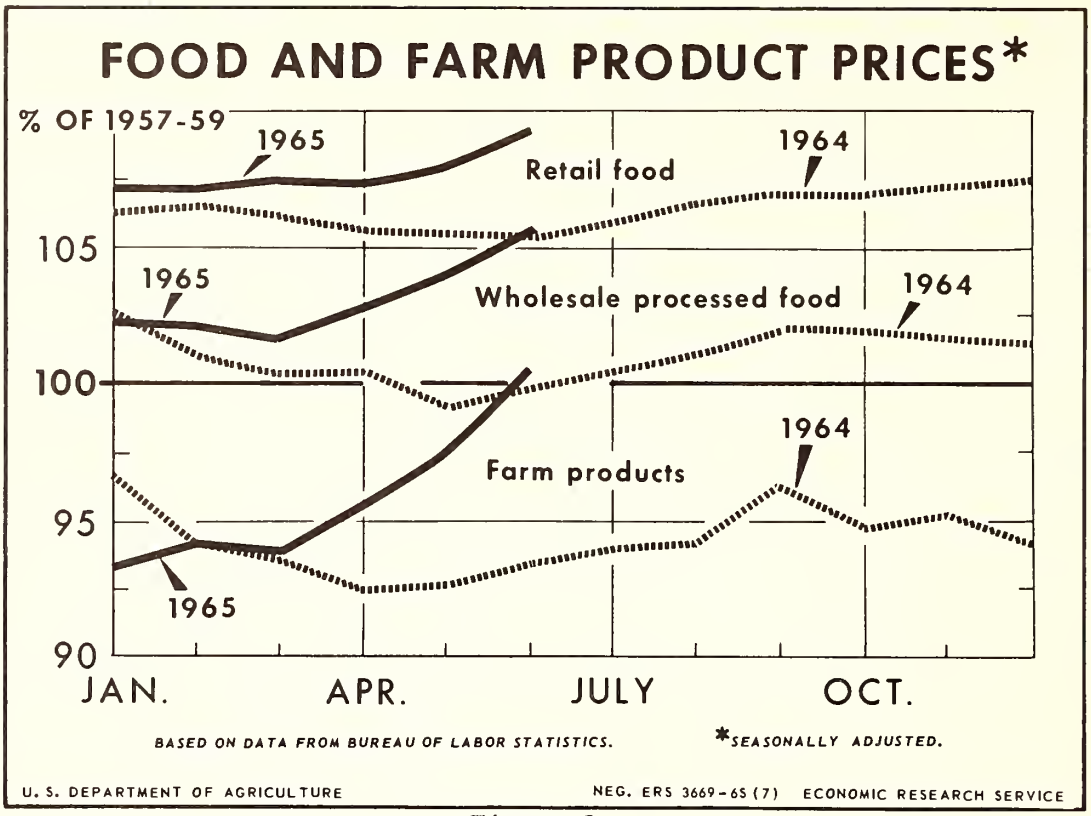

Figure 2

Prices received by farmers in June averaged 6 percent above the 1957-59 average; prices paid were 10 percent above 1957-59. These increases compare with a price advance of 10 percent for all food at retail and also 10 percent for the entire Consumer Price Index since 1957-59.

Meat Prices Up

Reduced supplies of meat in the second quarter resulted in significantly higher prices for most items (table 4). Retail meat prices averaged 3 percent above first quarter prices and 6 percent above second quarter 1964. Despite the increase, second-quarter prices averaged only 3 percent above the 1957-59 average; they remained below prices in the final quarter of 1962 (fig. 3).

Beef Prices Higher

Retail beef and veal prices averaged 3 percent higher in the second quarter than in the first quarter and 6 percent higher than in second quarter 1964, according to BLS reports (fig. 4). June prices were 11 percent above a year earlier. In mid-July, retail prices of U. S. Choice grade beef were around 10 percent above a year earlier, according to data from selected food chain stores collected by Economic Research Service. Composite retail prices of Choice beef have increased about 5 cents per pound since early this year.

Table 4.--Retail prices of meats, poultry, and fish, January-June, 1964-65 1/

Item or group	Unit	1965						January-June average		
		Jan.	Feb.	Mar.	Apr.	May	June	1964	1965	Percent change
Meats, poultry, and fish	Index	99.2	99.5	99.6	99.8	100.3	106.4	97.4	100.8	+3.5
Meats	Index	100.1	100.0	100.3	100.4	101.3	108.0	98.0	101.7	+3.8
Beef and veal	Index	103.1	102.4	102.6	102.6	103.9	109.6	100.7	104.0	+3.3
Steak, round	Cents per pound	104.8	104.3	104.6	104.8	106.3	112.4	102.1	106.2	+4.0
Steak, sirloin	do.	108.5	107.9	107.6	108.3	109.7	119.8	104.2	110.3	+5.8
Steak, porterhouse	do.	126.6	125.5	126.5	126.4	127.9	137.9	121.1	128.5	+6.1
Rump roast	do.	104.9	104.4	105.2	104.0	105.3	111.1	103.8	105.8	+1.9
Rib roast	do.	86.2	84.5	85.4	85.5	86.5	93.0	81.4	86.8	+6.6
Chuck roast	do.	57.6	57.6	56.9	56.6	57.1	60.9	55.8	57.8	+3.6
Hamburger	do.	49.2	48.8	48.8	48.8	49.3	51.5	49.0	49.4	+.8
Beef liver	do.	55.2	54.3	54.7	55.2	56.5	57.9	55.8	55.6	-.4
Veal cutlets	do.	143.9	145.0	144.6	143.8	145.0	145.6	142.9	144.6	+1.2
Pork	Index	96.2	97.0	97.4	97.5	98.6	108.9	93.8	99.3	+5.9
Chops	Cents per pound	88.4	88.7	88.3	87.8	89.5	100.4	83.9	90.5	+7.9
Loin roast	do.	61.3	61.3	61.3	61.7	62.9	70.4	58.2	63.2	+8.6
Pork sausage	do.	52.4	52.5	53.1	53.3	54.1	59.8	51.7	54.2	+4.8
Ham, whole	do.	60.8	61.0	60.9	61.2	61.4	65.4	60.5	61.8	+2.1
Picnics	do.	40.0	39.9	40.1	40.1	40.2	42.8	41.0	40.5	-1.2
Bacon	do.	67.0	69.1	70.2	70.5	70.8	79.2	65.7	71.1	+8.2
Other meats	Index	102.7	102.6	102.9	103.2	103.3	107.0	101.7	103.6	+1.9
Lamb chops	Cents per pound	133.7	134.6	136.4	138.1	139.0	145.8	128.5	137.9	+7.3
Frankfurters	do.	62.2	61.9	62.4	62.9	62.8	66.3	62.1	63.1	+1.6
Ham, canned	do.	93.7	92.9	92.3	91.7	92.1	95.1	93.5	93.0	-.5
Bologna sausage	Cents per 8 ounces	40.8	40.9	40.7	41.1	40.9	42.2	40.9	41.1	+.5
Salami sausage	do.	49.7	49.8	50.0	49.6	49.5	50.9	50.2	49.9	-.6
Liverwurst	Index	103.2	102.8	102.1	102.5	102.4	104.4	101.1	102.9	+1.8
Poultry	Index	86.7	89.2	88.9	89.0	87.4	93.5	86.7	89.1	+2.8
Frying chicken	Cents per pound	37.5	38.8	38.5	38.6	37.7	40.8	37.4	38.6	+3.2
Chicken breasts	do.	66.4	67.4	67.5	67.0	66.3	68.7	65.5	67.2	+2.6
Turkey	do.	46.4	46.9	47.5	47.6	48.0	49.5	47.0	47.6	+1.3
Fish	Index	109.3	110.1	109.9	110.1	110.3	110.4	107.5	110.0	+2.3
Shrimp, frozen	Cents per 10 ounces	70.1	69.6	72.1	72.3	72.2	72.3	68.2	71.4	+4.7
Fish, fresh or frozen	Index	115.2	115.5	115.0	115.4	116.0	115.8	114.8	115.5	+.6
Tuna fish, canned	Cents per 6½ ounces	32.4	32.2	32.0	31.8	31.8	31.9	31.8	32.0	+.6
Sardines, canned	Cents per 4 ounces	13.5	13.7	13.7	13.8	13.8	13.9	13.1	13.7	+4.6

1/ Food groups in terms of 1957-59 index numbers. Data from Bureau of Labor Statistics.

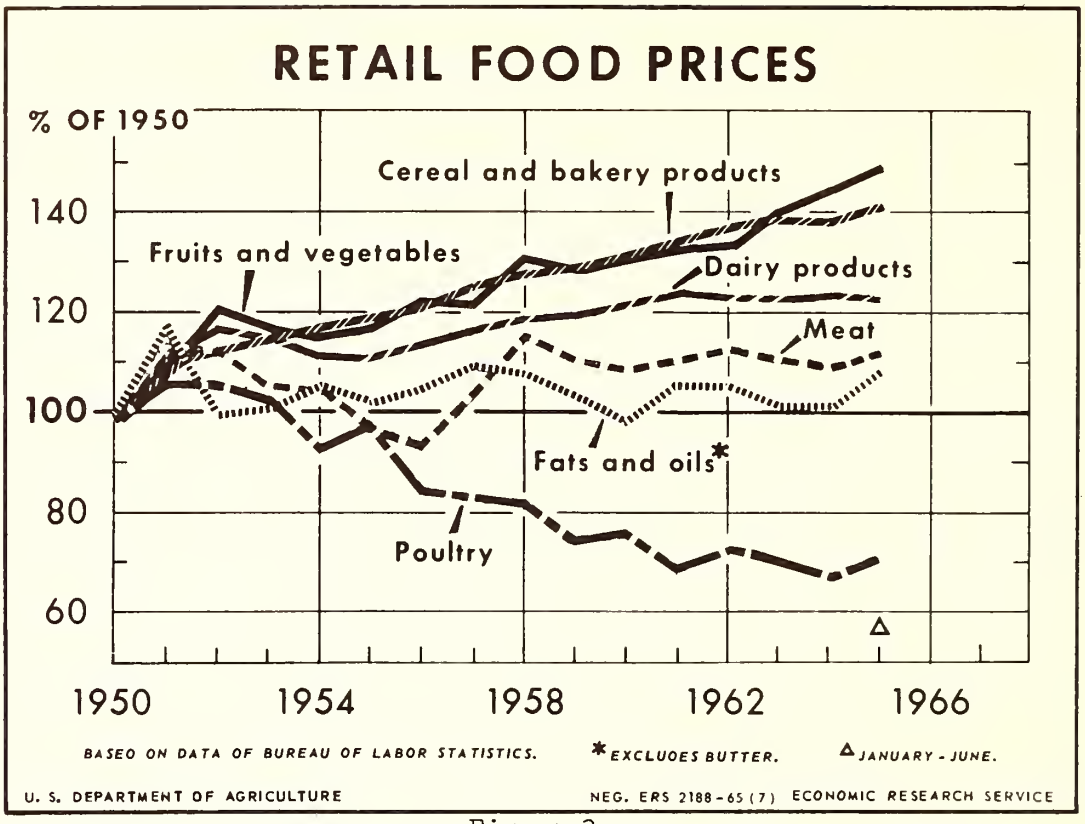

Figure 3

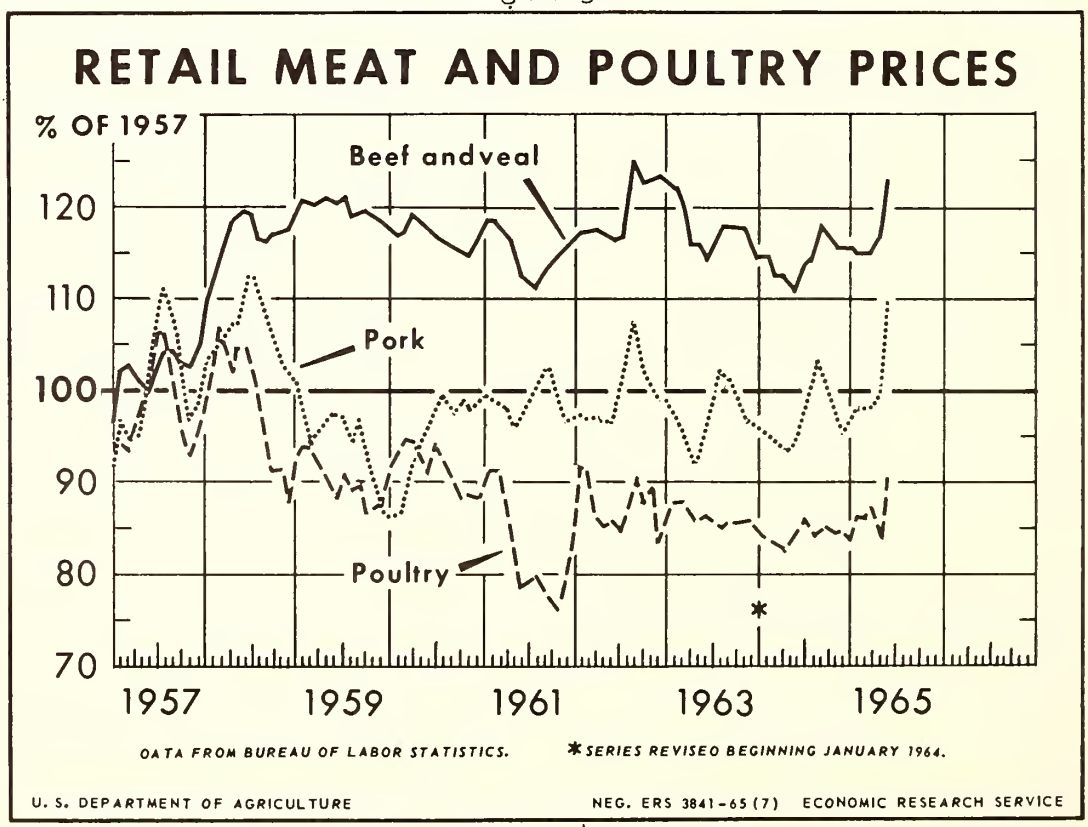

Figure 4

The net farm value of this beef has increased about 7 cents per pound in the same period of time. This means that the farm-retail price spread for Choice beef has narrowed slightly so far during the price upturn. The wholesale price of Choice beef has increased about 7 cents per pound so the wholesale-retail margin, rather than the farm-wholesale margin, has declined. Marketing margins normally decline during periods of rapidly rising prices, but increase during price declines. 3/

Beef prices are responding in part to the cut in total meat supplies. Beef production was down in the second quarter but equalled a year earlier for the entire half year. In addition, beef prices reflect continuing strong consumer demand.

Looking ahead, retail beef prices will be primarily dependent upon supplies of beef cattle. Cattle prices appear to have stabilized in recent weeks, but prices are expected to decline from mid-July levels during the second half year. Since marketing margins have been squeezed, retail beef prices may rise further and continue above 1964 as margins widen to more normal spreads. Characteristically, retail price "specials" are scarce when supplies are tight and prices rising, as in second quarter 1965, but they become a method of "shading" established prices when supplies are abundant and prices weakening. The effects of special prices are not entirely reflected in reported prices because increased volumes are sold at reduced prices; reported prices are not weighted by volume sold at each price.

Pork Prices Rising

Retail pork prices in the second quarter were 5 percent above the first quarter and 9 percent above the low prices of a year earlier. Prices in June were 16 percent above June 1964. By mid-July, prices were 20-25 percent above a year earlier, according to the prices from food chains collected by ERS. Though pork prices typically rise seasonally about 3½ percent between the first and second quarters, this year's increase was principally caused by the continued sharp cut in pork production. Even more than in the case of beef, retail pork prices in the current price upturn have not as yet increased as much as has the farm value of pork. According to ERS data, the composite retail value had risen 13 cents per pound by mid-July compared with 16½ cents at wholesale, and 18 cents at the farm. Some seasonal decline in hog prices likely will occur this fall, but retail prices are expected to remain well above a year earlier throughout the year.

Poultry and Egg Price Reversals

Poultry meat prices in the first 5 months of 1965 held at levels established in the latter half of 1964 but increased 7 percent between May and June; retail prices in the second quarter averaged 4 percent above second quarter 1964. The higher prices, probably due in part to reduced supplies of red meat,

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3/ Motes, William C., "Adjustments in Retail Prices of Beef to Supply Changes," Livestock and Meat Situation, LMS-131 (July 1963), pp. 26-32.

have stimulated producers to step up production. Broiler production in the third quarter is expected to run 10 percent above a year earlier. An expanded output potential extends into 1966. If supplies increase as expected, prices likely will drop from current levels. Poultry meat prices typically reach their low point of the year in the fourth quarter.

Egg prices in the first quarter were 13 percent below first quarter 1964 because of an increase in supplies due to a spurt in winter rate of lay. However, in response to a smaller-than-seasonal increase in egg production in the second quarter, retail prices remained steady. Egg prices are expected to rise seasonally in the latter half year, but decline near yearend.

Fats and Oils Prices Now Declining

Prices of fats and oils (excluding butter) have risen sharply since last summer. Second-quarter retail prices were 9 percent above a year earlier. Price advances have been general among both vegetable oil and animal fat products, due mostly to price increases of soybeans and oil last fall and winter and to rising prices for lard this spring. U. S. price increases were due in part to generally tight world oil supplies. Soybean and oil prices have now receded from previous levels, but lard prices continue high as a result of the cut in pork supply. Retail prices in the latter half of the year are expected to recede from current levels but remain at least as high as a year earlier throughout the year.

Fresh Vegetable Prices Declining From Earlier Highs

Fresh vegetable and potato prices shot up to record highs during the second quarter, continuing to advance through June. Lettuce prices averaged 36 cents per head in June compared with 29 cents in May, and 23 cents in June 1964. But since then, prices have declined sharply, based on wholesale and selective retail prices. Last year, lettuce prices declined in the second quarter. Fresh tomatoes declined to 37 cents per pound in June, down 5 cents from a month earlier but up 5 cents from a year earlier. Fresh cabbage averaged 14 cents per pound in June compared with 11 cents in April and in June 1964. Fresh asparagus, at 50 cents per pound in March, declined to 34 cents in June. Cucumber prices also were down from early high levels.

Early-spring production of vegetables for fresh market was 5 percent below a year earlier. Declines occurred for all items except sweet corn. Lettuce, a price-volatile item, faced a 5-percent cut in early-spring production, but by late spring production was 10 percent above year-earlier levels. By late spring, total fresh vegetable supplies (excluding melons) were 4 percent above a year earlier and by early summer they were ahead by 6 percent. Indications for late summer, reported in July, point to supplies about in line with last summer. As supplies increased, shipping point prices declined, so price declines from current levels are anticipated.

Potato prices continued to reflect last fall's short crop through June, but local prices began to weaken in late July. Spring production was up considerably from a year earlier but total supplies remained short because of the usual reliance upon carryover stocks. Retail prices averaged $1.23 per 10 pounds in June, 11 cents above a month earlier, and 35 cents above June 1964. Although seasonally increasing harvests resulted in a substantial price decline in late July, retail potato prices are expected to remain relatively high through the summer months. A production estimate is not as yet available for the important fall crop, but acreage was reported 8 percent larger. If this increase is reflected in production, potato prices will decline further as the heavy harvesting period begins.

Lower Prices for Oranges, Watermelons, Peaches, Sugar, and Coffee

Relatively low prices are expected for watermelons this summer and early fall because of increased supplies, but cantaloup prices are expected to be higher than last summer. Watermelon prices in June were more than 1 cent a pound lower than a year earlier.

Sharply increased supplies of oranges and grapefruit sent prices of these fruits down considerably in the first half. Fresh oranges in June were 6 cents per dozen below June 1964 and 11 cents below last December. Frozen orange juice concentrate averaged 22 cents per 6-ounce can in June, down 8 cents from a year earlier. Fresh grapefruit prices were lower too, but lemon prices were higher. Fresh peach prices are down sharply this spring from a year earlier because production is tripling last year's freeze-damaged crop in the 9 Southern States.

Fresh fruit prices in general are expected to reach their seasonal highs in the third quarter and then decline about in line with last year's movements. Processed fruits and vegetables in the first half year averaged 5 percent below a year earlier, and prices may remain below year-earlier levels in the second half.

Sugar prices at retail have remained steady since last fall and little change is anticipated the rest of this year. In the second quarter, prices averaged 10 percent below the high prices of a year earlier.

Prices for regular coffee have remained nearly steady during the past 12 months, but some weakening has occurred since January. Prices of instant coffee, however, have declined sharply--down from $1.11 per 6-ounce jar in June 1964 and $1.07 in January to $0.92 in June. World coffee production is expected to rise sharply this year since Brazilian production is expected to rebound from last season's reduced crop. The new International Coffee Agreement and market forces generally will tend to prevent much drop in retail prices, but some price declines can be expected, particularly for regular coffee. Instant coffee prices are now back to levels from which they began rising about 18 months ago but regular coffee prices are still 12-14 cents per pound higher.

Cereal and Bakery Product Prices Stabilize

After rising about 2 percent during the second half of 1964, average prices of cereal and bakery products stabilized during the first half of 1965. Prior to that time, prices of these products had been steady for about 18 months--a period of unusual stability in light of the steady upward trend in postwar years. (See "Consumption and Prices of Cereal and Bakery Products," National Food Situation, May 1965.)

In June, white bread averaged 20.9 cents per pound, about the same as the 21.0 cents reported for January and up slightly from the 20.6 cents in June 1964. Whole wheat bread averaged 26.9 cents per pound in June compared with 26.2 cents in June 1964. Wheat flour prices averaged 58.5 cents for 5 pounds in June, up 3 percent from 56.8 cents in June 1964.

PRODUCTION AND CONSUMPTION OF FOOD

Per capita food consumption likely will decline slightly in 1965. This year's decline represents a reversal from increased per capita consumption during 1963 and 1964 (table 2). The decline is expected to center in consumption of livestock products, due mostly to decreased supplies of pork. Consumption of crop products is expected to continue slightly upward. The decline in consumption is rather small, but historically a small decrease in annual per capita food consumption has been associated with a relatively large increase in average retail food prices, after allowing for effects of income. 1/

Lower Consumption of Animal Products

Meat consumption is expected to drop around 4 percent per capita this year to 168-169 pounds, carcass weight (table 5). Most of the decline will occur in pork, likely to be down 6 to 7 pounds from the 65 pounds per capita consumed in 1964. Little change is expected from 1964 consumption of 100 pounds of beef and 5 pounds of veal. Lamb consumption is again expected to decrease a half pound per capita, more than a tenth of the total.

Beef production in January-June about equaled the same year-earlier months but the first quarter was up 6 percent and the second quarter down 4 percent from a year earlier. The number slaughtered in the first 6 months was ahead of a year earlier by 5 percent, but live weight averaged 32 pounds lower. As of July 1, 9 percent more cattle were reported on feed than a year earlier. The increase was in cattle that were relatively light weight and in those on feed

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1/ The following statistical relationship is based on annual data for 1954-64:

$$\log p = 4.16 - \underset{(.13)}{1.40} \log q + \underset{(.03)}{0.32} \log y \qquad R^2 = .93$$

where p equals the food-at-home component of the consumer price index, q equals the per capita food consumption index, and y equals per capita disposable income. Standard errors of the coeficients are given in parentheses.

Table 5.—Civilian per capita consumption of major food commodities, primary distribution weight, and civilian population, selected periods 1947-65 1/

Commodity	Average 1947-49	Average 1957-59	1962	1963	1964 Prelim-inary	Preliminary estimates for 1965	1965 as a percentage of 1947-49	1965 as a percentage of 1957-59	1965 as a percentage of 1964
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent
Meats (carcass weight) - Total	148.5	156.6	163.1	169.3	174.8	167.9	113	107	96
Beef	65.6	82.1	88.8	94.2	100.4	100.2	153	122	100
Veal	9.7	7.1	5.5	4.9	5.2	5.1	53	72	98
Lamb and mutton	4.8	4.4	5.2	4.9	4.2	3.7	77	84	88
Pork (excluding lard)	68.4	63.0	63.6	65.3	65.0	58.9	86	93	91
Fish (edible weight) - Total	10.7	10.5	10.6	10.6	10.6	10.5	98	100	99
Fresh and frozen	5.9	5.7	5.8	5.7	5.9	2/	---	---	---
Canned 3/	4.2	4.2	4.3	4.4	4.2	2/	---	---	---
Cured	.6	.6	.5	.5	.5	2/	---	---	---
Poultry products									
Eggs (farm basis) - Number	385	356	324	316	314	307	80	86	98
Chicken (ready-to-cook)	18.7	27.5	30.0	30.8	31.2	32.6	174	119	104
Turkey (ready-to-cook)	3.3	6.0	7.0	6.7	7.2	7.3	221	122	101
Dairy products									
Total milk fat solids	29.5	25.6	23.8	23.3	23.2	22.9	78	89	99
Total nonfat milk solids	42.9	43.8	42.4	41.7	41.8	41.3	96	94	99
Cheese	7.0	7.9	9.2	9.2	9.5	9.6	137	122	101
Condensed and evaporated milk	20.1	14.8	12.5	11.6	11.3	10.9	54	74	96
Fluid milk and cream	359	335	308	307	305	302	84	90	99
Ice cream (product weight)	18.7	18.4	17.9	18.0	18.2	18.3	98	99	101
Fats and oils - Total, fat content 4/	42.4	45.3	45.7	46.1	47.3	46.6	110	103	99
Butter (actual weight)	10.6	8.2	7.3	6.9	6.8	6.5	61	79	96
Margarine (actual weight)	5.6	8.9	9.3	9.6	9.7	9.8	175	110	101
Lard	12.4	9.3	7.2	6.4	6.4	6.2	50	67	97
Shortening	9.6	11.4	13.4	13.4	13.6	13.5	141	118	99
Other edible fats and oils	7.3	10.8	11.7	12.9	14.1	13.7	188	127	97
Fruits									
Fresh (farm weight) - Total	132.8	95.7	84.9	76.1	81.5	84.7	64	89	104
Citrus	54.8	33.5	28.9	22.1	25.8	28.2	51	84	109
Apples (commercial)	25.5	21.6	19.4	18.4	20.1	20.0	78	93	100
Other (excluding melons)	52.5	40.6	36.6	35.6	35.6	36.5	70	90	103
Processed:									
Canned fruit	18.9	22.5	22.9	23.1	23.2	23.7	125	105	102
Canned juice	15.9	13.8	13.0	14.4	13.1	13.8	87	100	105
Frozen (including juices)	3.2	8.6	9.7	8.0	7.4	9.3	291	108	126
Dried	3.9	3.3	3.0	3.0	3.0	3.2	82	97	107
Vegetables									
Fresh 5/	120.5	104.3	102.8	102.9	98.7	99.0	82	95	100
Canned, excluding potatoes and sweetpotatoes	38.5	43.0	44.4	45.1	45.0	44.7	116	104	99
Frozen, excluding potatoes	2.8	6.6	7.7	7.4	8.0	8.0	286	121	100
Potatoes and sweetpotatoes									
Potatoes, fresh equivalent 6/	113.8	106.8	108.1	112.1	109.8	108.0	95	101	98
Frozen potatoes, product weight	7/	1.6	3.9	4.5	5.8	6.0	---	375	103
Sweetpotatoes, fresh equivalent 6/	13.0	8.3	7.6	7.3	6.6	6.6	51	80	100
Dry edible beans	6.7	7.7	7.8	7.7	7.5	7.2	107	94	96
Melons	27.4	25.1	23.2	24.7	23.3	23.0	84	92	99
Sugar (refined)	95.2	96.1	97.2	96.1	95.8	95.5	100	99	100
Grains									
Corn products: Cornmeal and other 8/	19.0	14.3	13.6	13.5	13.4	13.3	70	93	99
Corn sirup and sugar	14.1	13.0	15.4	16.8	18.1	18.0	128	138	99
Oat food products	3.3	3.5	3.5	3.5	3.5	3.5	106	100	100
Barley food products 9/	1.6	1.0	1.0	1.0	1.0	1.0	62	100	100
Wheat: Flour 10/	137	120	115	116	116	116	85	97	100
Breakfast cereals	3.2	2.8	2.6	2.6	2.6	2.6	81	93	100
Rye flour	1.4	1.2	1.1	1.1	1.1	1.1	79	92	100
Rice, milled	4.9	5.4	7.4	6.6	6.8	6.8	139	126	100
Other									
Coffee (green beans)	18.2	15.7	15.9	15.7	15.3	15.1	83	96	99
Tea	.58	.60	.66	.67	.69	.70	121	117	101
Cocoa beans	4.0	3.5	3.8	3.9	3.9	4.1	102	117	105
Peanuts (shelled)	4.4	4.6	4.9	5.0	5.1	2/	---	---	---
	Million	Million	Million	Million	Million	Million			
Civilian population 11/	145.1	171.5	183.8	186.7	189.4	191.9	132	112	101.3

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis; fresh citrus fruits, and peanuts on a crop year basis and rice on August 1 year. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice, which begins in August of previous year. 2/ Not available. 3/ Excludes canned food products containing small quantities of fish, such as clam chowder. 4/ Computed from unrounded data. 5/ Covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 6/ Includes quantities canned and frozen. 7/ Less than 0.05 pound. 8/ Includes cornstarch, breakfast cereals, and hominy. 9/ Barley used for food products in terms of malt equivalent. 10/ Includes white, whole wheat, and semolina flour. 11/ Census estimates of July 1 civilian population (50 States beginning 1962). Used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

less than 3 months. Beef production in the second half probably will equal or exceed last year's level. At this time, it appears that total beef production will be up slightly for the year (table 12).

Pork production in January-June was 8 percent below the same year-earlier period. The spring pig crop, which furnishes most of the pork supply in the second half, was reported to be 10 percent smaller than a year earlier so supplies likely will continue at a reduced level the balance of the year. The large cutback in pork production is affecting both beef and poultry prices.

Poultry meat production appears to be stepping up sharply and is taking some of the slack in red meat production. Production may increase 5 percent for the year, but this would only amount to about 1½ pounds in per capita consumption. Little change is anticipated in total supplies of the remaining animal products. Small per capita consumption declines are expected for eggs and fats and oils. Consumption of dairy and fishery products likely will remain about steady.

The volume of total livestock product marketings in the first half year was about the same as first half 1964, but for the year may be down slightly (table 1). The supply-utilization index of all livestock commodities (quantities valued in terms of constant farm prices) points to a small decline in production and consumption of livestock products (table 6). A decline in exports of livestock products, mostly pork, lard, and dairy products, will help maintain domestic consumption despite reduced production. Carryover stocks of livestock products represent only a small part of annual supply, but some reduction may occur during the year.

Increased Food Use of Crop Products

Most of the expected increase in consumption of food crop products is coming from the recovery in production of fruits. An 8-percent gain is anticipated in per capita consumption of total fruits. Fresh fruits are showing a gain, but the bulk of the increase is for processed items. Most of the increase in supplies was available during the first half as a result of the large increase in orange and grapefruit production, but deciduous fruit supplies also were larger. On July 1, supplies of frozen orange concentrate were half again as large as a year earlier. Canned fruit stocks carried into the new canning season also were much above a year earlier. But, smaller packs are indicated for some items, such as pears and fruit cocktail.

Supplies of fresh vegetables were short during early-spring months so prices reacted strongly. Supplies soon picked up though and by summer were running ahead of year-earlier levels. For the year, per capita consumption of fresh vegetables likely will about equal that of 1964. Canned vegetable supplies this summer are down slightly from a year ago, but frozen vegetables are moderately larger. In total, per capita consumption of vegetables is not expected to differ much from 1964.

Table 6.--Supply-utilization of livestock commodities: Indexes by component 1924-64 1/

(Index: 1957-59=100)

Year	Gross production	Imports 2/	Stocks January 1 3/	Total annual gross utilization	Domestic use					Exports and shipments 7/
					Food		Seed 5/	Feed 6/	Other nonfood	
					Civilian	Military 4/				
1924	65.8	45.1	145.6	64.7	61.9	---	50.9	181.8	79.6	87.9
1925	63.6	50.8	140.6	63.7	61.2	---	51.9	183.5	82.5	68.3
1926	65.1	52.0	126.0	64.7	62.3	---	55.0	190.7	84.3	60.1
1927	65.4	54.1	122.8	64.9	62.7	---	57.1	194.4	82.6	53.5
1928	65.7	56.4	122.2	64.5	62.4	---	51.9	191.9	80.0	53.7
1929	65.6	62.1	137.4	65.4	63.0	---	55.0	194.9	85.6	56.8
1930	66.1	37.0	137.1	65.1	63.5	---	56.1	197.9	73.2	47.9
1931	67.1	29.7	133.8	65.9	64.2	---	50.9	209.3	76.1	38.7
1932	66.7	18.7	129.0	65.5	64.3	---	50.9	208.8	67.4	32.3
1933	69.7	34.3	116.6	67.1	65.5	---	51.9	209.0	80.0	34.4
1934	71.2	24.0	139.7	68.3	67.3	---	45.7	199.6	77.3	33.3
1935	61.1	43.3	160.7	62.1	60.6	---	46.7	193.2	82.8	19.1
1936	67.6	51.8	127.9	66.2	65.0	---	49.8	189.7	90.6	17.7
1937	64.9	55.0	142.3	65.9	64.9	---	42.6	185.0	89.3	17.9
1938	67.8	30.4	114.2	66.4	65.5	---	46.7	195.6	77.6	22.8
1939	70.8	49.1	113.2	69.9	68.6	---	49.8	197.1	91.7	26.5
1940	75.2	51.2	113.7	73.0	72.1	---	48.8	198.1	94.2	27.0
1941	78.1	98.2	137.1	77.4	72.5	74.7	65.4	203.3	123.1	72.6
1942	86.0	94.6	161.6	83.4	73.1	260.4	73.7	188.4	127.0	152.3
1943	92.3	78.0	214.7	90.4	75.1	444.4	88.3	172.3	121.2	240.9
1944	94.0	72.8	237.4	94.5	76.3	633.4	69.6	154.0	125.1	232.3
1945	91.3	77.8	208.2	90.8	76.7	533.3	84.1	147.0	123.4	157.0
1946	87.8	88.4	206.3	89.3	83.5	139.5	66.5	134.9	125.5	160.7
1947	88.7	58.1	175.6	87.2	83.9	105.0	64.4	151.5	118.5	90.7
1948	82.7	88.5	179.8	83.8	81.5	88.3	64.4	142.3	125.4	50.2
1949	86.3	59.9	161.0	84.8	83.0	82.8	73.7	146.3	108.5	61.9
1950	87.9	95.4	168.5	88.2	85.6	85.6	73.7	147.0	126.2	75.1
1951	87.4	86.1	165.1	88.5	84.5	184.6	84.1	142.6	107.4	83.3
1952	90.3	87.3	137.4	89.5	87.7	142.7	80.0	130.7	103.3	59.9
1953	94.5	73.1	148.8	92.9	91.1	135.7	83.1	131.4	105.7	74.7
1954	96.5	59.3	161.2	94.8	93.3	121.8	82.0	151.5	92.4	85.4
1955	99.0	69.7	151.5	98.7	97.0	112.8	83.1	122.7	104.7	120.8
1956	102.8	69.4	127.2	102.1	100.6	111.1	93.5	113.6	108.6	129.4
1957	100.6	70.3	107.5	99.6	99.3	105.0	92.4	104.4	97.0	107.0
1958	98.2	99.7	100.5	98.4	98.5	99.2	104.9	98.4	96.6	95.3
1959	101.2	130.0	92.0	102.0	102.2	95.8	102.8	97.2	106.4	97.7
1960	103.0	105.5	93.6	102.9	103.5	92.6	105.9	92.2	103.2	97.3
1961	105.7	122.0	94.7	104.9	105.4	98.7	113.2	92.5	102.1	107.6
1962	106.2	151.8	125.0	107.2	107.3	106.5	114.2	88.5	111.0	113.2
1963	109.0	165.7	137.5	111.2	110.6	107.1	111.1	88.3	111.3	155.6
1964 8/	113.9	130.7	128.0	115.2	114.3	119.8	114.2	88.5	102.3	182.1

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1962. 2/ Includes inshipments from U. S. Territories. 3/ Farm, commercial, and Government program holdings. Derived by applying annual changes to January 1961 level to avoid inconsistent coverage. 4/ Includes civilian feeding in occupied areas. 5/ Hatching eggs. 6/ Milk fed to calves and, since 1959, tallow. 7/ Includes shipments to U. S. Territories. 8/ Preliminary.

Table 7.--Supply-utilization of crop commodities: Indexes by components 1924-65 1/

(Index: 1957-59=100)

Year	Gross production	Imports 2/	Stocks January 1 3/	Total annual gross utilization	Domestic use					Exports and shipments 5/
					Food		Seed	Feed	Other nonfood	
					Civilian	Military 4/				
1924	69.2	67.8	38.3	69.7	69.5	---	87.7	77.4	55.6	63.8
1925	72.0	73.8	39.5	74.1	73.1	---	87.9	82.8	64.6	64.5
1926	71.9	78.2	39.8	72.7	74.9	---	85.9	75.4	65.8	67.1
1927	72.8	75.4	41.9	76.9	72.6	---	92.3	84.2	72.1	74.6
1928	74.3	74.1	40.3	75.8	74.9	---	89.8	83.0	67.9	68.3
1929	71.8	83.4	40.8	75.5	77.5	---	93.5	80.5	71.4	62.0
1930	69.1	78.4	40.9	70.7	76.9	---	91.5	75.1	61.1	52.7
1931	74.7	73.5	42.6	70.5	77.4	---	98.7	74.6	59.3	52.1
1932	73.6	64.7	48.6	72.5	74.0	---	96.8	83.8	52.8	57.5
1933	63.4	69.3	50.6	70.8	72.9	---	94.6	79.2	63.9	50.6
1934	50.7	67.4	46.0	62.6	72.3	---	91.5	61.8	62.6	38.7
1935	67.8	86.0	38.0	66.8	79.5	---	102.0	65.2	65.8	37.8
1936	56.3	86.4	43.5	69.2	78.5	---	99.9	69.2	79.5	36.1
1937	78.4	97.4	36.4	70.7	82.0	---	103.9	66.4	81.6	41.2
1938	75.2	78.6	48.8	72.3	79.7	---	101.0	75.0	70.1	48.1
1939	73.4	81.1	54.2	75.5	83.0	---	99.5	80.2	80.9	41.0
1940	76.4	81.9	55.3	75.9	83.6	---	103.3	83.2	85.4	30.5
1941	78.9	89.6	58.7	79.3	86.2	114.0	101.8	85.8	104.9	21.5
1942	89.4	55.4	62.0	84.2	82.3	415.0	110.9	97.8	112.6	18.4
1943	83.9	76.1	64.9	92.5	79.1	617.0	116.9	116.6	115.9	27.9
1944	87.8	93.9	57.9	90.1	82.7	974.0	113.2	104.6	111.1	25.4
1945	86.3	81.7	58.9	92.2	84.6	1,106.0	107.0	101.2	107.1	42.5
1946	90.5	80.2	54.9	93.5	93.0	275.0	108.8	99.7	107.6	60.6
1947	85.0	84.8	53.1	90.7	91.1	454.0	108.6	91.6	101.4	64.5
1948	97.9	87.4	49.9	87.8	89.5	654.0	107.6	86.5	103.4	52.9
1949	92.0	91.2	61.1	90.8	89.7	681.0	110.1	93.2	92.2	65.7
1950	88.9	91.4	64.7	92.1	90.5	195.0	111.3	96.0	109.6	65.8
1951	90.1	92.6	64.3	96.5	90.6	331.0	108.2	99.3	111.0	82.6
1952	95.3	93.8	61.0	93.7	92.6	228.0	115.0	97.6	102.2	72.3
1953	93.9	100.3	65.0	91.1	93.0	202.0	108.4	95.1	104.4	60.1
1954	93.0	89.5	71.3	89.5	92.3	140.0	106.8	91.2	97.8	67.4
1955	94.5	93.7	89.0	90.8	94.8	104.0	108.0	91.0	102.2	68.3
1956	95.1	98.3	96.1	96.4	96.7	117.0	103.5	93.3	104.4	93.9
1957	93.4	97.9	98.3	97.9	97.8	90.0	102.2	92.2	98.0	110.4
1958	103.8	94.9	97.0	98.8	99.5	102.0	99.5	101.5	96.8	92.5
1959	102.8	107.2	104.7	103.3	102.7	108.0	98.3	106.3	105.2	97.1
1960	107.7	106.0	108.1	107.3	103.7	99.0	97.9	104.7	102.7	127.9
1961	105.7	110.1	111.9	110.5	106.2	121.0	98.9	111.0	103.3	127.1
1962	109.4	106.8	110.4	111.0	107.0	114.0	97.5	112.7	105.9	123.2
1963	112.6	104.6	111.7	112.0	109.1	107.0	97.2	110.3	103.0	132.8
1964 6/	108.6	98.7	114.8	114.2	108.1	107.0	99.7	110.1	102.2	150.9
1965 6/	113.4	104.4	110.4	114.1	108.9	108.0	98.9	110.7	110.9	

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1962. 2/ Includes inshipments from U. S. Territories. 3/ Farm, commercial, and Government program holdings. Derived by applying annual changes to January 1961 level to avoid inconsistent coverage. 4/ Includes civilian feeding in occupied areas. 5/ Includes shipments to U. S. Territories. 6/ Preliminary.

Despite recent high prices for potatoes, per capita consumption is expected to decline slightly this year. Increasing use of processed products appears to be partly counterbalancing decreasing use of fresh potatoes. Storage stocks have been drawn down to low levels and nonfood uses cut sharply. Early potato crops exceeded those of a year earlier, but as usual the volume was not sufficiently large to meet current needs. Current potato prospects point to a significantly larger fall crop this year, assuming that yields are more nearly normal than in 1964 when bad weather cut production sharply.

Consumption of remaining crop products is not expected to differ significantly from past trends. Some decline may occur in per capita consumption of dry edible beans and coffee, but consumption of cereal products and sugar is expected to remain about steady on a per capita basis.

Imports of coffee were down 22 percent in the first 6 months. Roastings in the first 5 months were down 10 percent from a year earlier, according to trade reports. Prices of regular coffee have remained relatively high so some cutback in consumption is anticipated. World supplies probably will be abundant in the year ahead because of the outlook for sharply increased Brazilian production.

Early season crop prospects point to output well above last year's reduced crop (table 7). As a result, net production of all farm products may reach a record-high level in 1965. Sizable increases are expected for crops such as corn and other feed grains for which food uses are small. The production increase for wheat and other food grains also is expected to exceed the increase in domestic food use.

FOOD EXPENDITURES

In first half 1965, food expenditures continued to mount at a rapid pace. Food expenditures, less alcoholic beverages, averaged about $83\frac{1}{2}$ billion, annual rate, 6 percent above a year earlier. Sales by retail food stores increased 6 percent above a year earlier during January-May and sales by restaurants, cafeterias, and lunchrooms jumped 11 percent. The rate of population growth slowed somewhat during the year prior to July 1. With per capita food consumption down slightly, the increase occurring in retail food prices accounts for a sizable part of the increase in food expenditures.

1965 Similar to 1957

In 1964, only 18.5 percent of disposable income was spent for food, down from 22.4 percent 10 years earlier (table 8). This percentage has been declining rather consistently since 1950 (cover chart). The only exceptions to the downtrend occurred in 1951, 1954, and 1958. Each of these years had in common a decline in per capita food consumption. The situations in 1957 and 1958 appear to parallel that in 1965 because of sizable increases in retail food prices coupled with decreases in per capita consumption. But, only in 1957 did the gains in income and food expenditures approach the estimates

Table 8.--Food expenditures as proportion of disposable income, 1929-65

Year	Expenditures for food 1/	Civilian expenditures for U. S. farm foods 2/		
		Total	Farm value	Total marketing bill
	Percent	Percent	Percent	Percent
1929	23.5	20.3	8.7	11.6
1930	24.2	21.9	8.6	13.3
1931	23.1	20.8	7.4	13.4
1932	23.4	22.4	7.0	15.4
1933	23.7	23.9	7.9	16.0
1934	23.4	23.3	8.3	3/14.4
1935	23.4	21.6	8.6	3/12.5
1936	23.0	21.1	8.8	12.3
1937	23.1	19.9	8.4	11.5
1938	23.8	20.7	7.9	12.8
1939	22.3	19.6	7.4	12.2
1940	22.0	19.3	7.4	11.9
1941	20.9	18.3	7.6	10.7
1942	20.2	17.9	7.9	10.0
1943	20.8	17.8	8.5	4/9.4
1944	20.9	16.6	7.9	4/9.1
1945	22.7	17.8	8.4	4/9.9
1946	25.3	20.9	9.8	4/11.4
1947	26.9	23.2	11.0	12.2
1948	25.4	22.3	10.2	12.1
1949	24.5	21.5	8.9	12.6
1950	22.8	20.0	8.5	11.5
1951	23.5	20.4	8.8	11.6
1952	23.4	20.2	8.3	11.9
1953	22.4	19.1	7.6	11.5
1954	22.4	18.8	7.1	11.7
1955	21.6	18.3	6.7	11.6
1956	21.2	17.9	6.4	11.5
1957	21.1	17.7	6.3	11.4
1958	21.2	18.1	6.5	11.6
1959	20.2	17.5	5.9	11.6
1960	19.9	17.7	6.0	11.7
1961	19.5	17.3	5.8	11.5
1962	19.2	16.9	5.7	11.2
1963	18.9	16.6	5.4	11.2
1964	18.5	16.2	5.2	11.0
1965 5/	18.4	16.0	5.4	10.6

1/ Department of Commerce, personal consumption expenditures for food, less alcoholic beverages. 2/ Computed by Economic Research Service. This series omits imported foods, fish and other seafoods, home-produced food, and food furnished the Armed Forces; it implicitly includes the value of the following items omitted from the Commerce series: Meals charged as a business expense, meals served patients in hospitals and persons living in institutions, food distributed free by Government agencies, and meals served by airlines, camps, and other agencies that do not make separate charges for food. 3/ Excluding Federal processor taxes. 4/ Includes U. S. Government payments to processors. 5/ Preliminary estimates.

for this year. Prices rose 4 percent in 1958 following a 3-percent gain in 1957. Since then, annual price increases have been steady at 1 to 1½ percent per year, except for 1959 when prices dropped 1½ percent (table 13). In 1957, the year that appears to parallel the 1965 situation most completely, the percentage of income spent for food declined 0.1 percentage point from 1956.

The gain in food expenditures this year is not expected quite to match the increase expected for disposable income, so a further small decline is anticipated this year in the percentage of income spent for food. The decline is not expected to be as great as in recent years, however. And, it is entirely possible that the percentage will remain steady this year.

The cover chart shows a breakdown of civilian expenditures for U. S. farm foods: The total marketing bill as a proportion of disposable income has remained extremely stable over time, whereas the farm value of U. S. farm foods has registered a significant decline. Most of the decline in the percentage of income spent for food since 1950 has come as a result of the declining proportion going to farmers. In dollars, the farm value has remained relatively steady, but the marketing bill has advanced at almost the same rate as disposable income.

The situation this year is expected to be much different from the postwar pattern: Prices received by farmers rose sharply in the second quarter. Prices in the first half year averaged only 2½ percent above a year earlier, but the second quarter was up 6 percent and July was up 9 percent. Since total food marketings are not expected to change much this year, the farm value of food products is expected to rise sharply. The marketing bill is expected to increase again this year, but the rate of increase is not likely to match that of disposable income. The share of the consumers' dollar going for marketing foods originating on U. S. farms is expected to drop below 11.0 percent for the first time since World War II and the share going to farmers may increase for a change (table 8).

Sales by Food Stores and Eating Places

In the first 5 months of 1965, sales by retail food stores increased 5 percent over the same months of 1964 (no adjustment for seasonality and trading day differences). Sales by grocery stores, accounting for most food store sales, also advanced 5 percent. Sales declines occurred for meat markets, fruit stores and vegetable markets, and delicatessens despite increased food prices. But, sales by candy, nut, and confectionery stores spurted 15 percent ahead of a year earlier. During the same period, sales by eating and drinking places were ahead of a year earlier by 8 percent--the eating places jumped 11 percent in sales but the drinking places only 2 percent.

On a regional basis, food stores sales in the first 5 months increased 8 percent in the South but only 2 percent in the North Central States. Sales by eating and drinking places increased 11 percent in the South but only 7 percent in the Northeast.

Between 1963 and 1964, retail food store sales increases were quite uniform at 3 to 5 percent per capita across the country (table 9). The West North Central region was an exception--sales were unchanged on a per capita basis. More regional variation occurred in sales by eating and drinking places. The South led the other regions with a gain of 10 percent; the Northeast lagged with only a 5-percent gain.

Table 9.--Retail food store sales: Total and per capita, sales by region and division, 1963 and 1964

Area 1/	Total food store sales			Per capita food store sales		
	1963	1964	Percent change	1963	1964	Percent change
	Mil. dol.	Mil. dol.	Pct.	Dol.	Dol.	Pct.
Northeast	16,582	17,564	+6	359	374	+4
New England	4,012	4,297	+7	376	392	+4
North Central	16,464	17,244	+5	313	324	+4
East North Central	12,235	12,983	+6	330	346	+5
West North Central	4,236	4,261	+1	272	272	0
South	15,594	16,383	+5	272	281	+3
West	10,503	11,000	+5	345	355	+3
Pacific	8,074	8,595	+6	352	367	+4
U. S. total	59,143	62,191	+5	317	328	+3

1/ Only those Divisions within Regions are shown for which data were available for retail food store sales.

U. S. Bureau of the Census Annual Retail Trade Report: 1964, June 1965.

DEMAND FOR FOOD

Current Business Situation Strong

Disposable personal income increased 6 percent above a year earlier during first half 1965, as a result of generally strong business conditions. As usual, about two-thirds of personal income was generated by wage and salary payments; employment is increasing and earnings rising. Farm proprietors this year are sharing in the income increase more liberally than usual.

Gross National Product in the second quarter rose to the annual rate of $658 billion, $9 billion above the previous quarter and $39 billion above a year earlier. Industrial production averaged 141.4 percent of the 1957-59 average, 7 percent above the year-earlier level. Employment rose faster than the labor force so the unemployment rate dropped to 4.7 percent, the lowest level since second quarter 1957.

Effects Upon Demand

The strong income gain expected this year probably will lead to a nearly proportionate advance in total food expenditures. But, the quantity of farm products consumed as food in a given year is more nearly related to population increases and changes in farm output than to income growth. Many farm products are relatively perishable so must move rather quickly into consumption channels. Annual stock changes and net foreign trade considerably affect consumption of certain food products but are relatively unimportant compared with domestic production for most foods. The quantity demanded tends to be rather steady, so fluctuations in supplies lead to relatively large changes in prices for most foods.

Family Income Rising

Median family money income in 1964 was $6,569, up 5 percent from a year earlier and up 16 percent from the average in 1960-61 (table 10). This income concept is not strictly comparable with that used in reporting the BLS survey, but is useful for comparisons over time and with the National Income Accounts. It shows that median family income almost doubled between 1950 and 1964; it increased 53 percent on a constant dollar basis. The number of families increased 20 percent during this 14-year period, but less than 1 percent in the past year.

Family incomes vary considerably between farm and nonfarm families, number of earners in the family, and occupation of the family head. Among regions, median family incomes last year varied from $7,289 in the West to $5,327 in the South. Families with 1 earner had a median income of $5,854 and those with 3 earners or more, $9,694. The median money income of farm families was $3,558 compared with $6,755 for nonfarm families. Family heads employed as craftsmen or foremen had a median income of $7,670, about triple family heads employed as private household workers, $2,367.

Family Size Related To Food Expenditures

Though demand determinants usually are reported on a total or per capita basis, the family is usually the unit of decision making in food purchases. Food consumption and expenditures certainly rise with increases in family size, but not proportionately.

The 1960-61 Consumer Expenditure Survey, conducted by Bureau of Labor Statistics, reported that food expenditures averaged $391 per capita for all urban and rural families, including single consumers (table 11). 1/ Expenditures ranged from $254 per capita for families of 6 or more persons up to $601 for single consumers. Incomes varied too. Income after taxes varied with family size from $2,958 for single persons to a peak of $7,789 for 5-person families and to $6,999 for 6 or more person families. But, incomes declined with family size on a per capita basis--from the $2,958 for single persons to $1,000 per person for families with 6 or more persons. The percent of income after taxes spent for food averaged 20.8 percent in 1960-61 but ranged from 19.0 percent for 2-person families to 25.4 percent for families with 6 or more persons. The 20.8 percent compares with 19.7 percent of disposable personal income spent for food in 1960-61 and 18.5 percent in 1964 using conventional data from the National Income Accounts, Department of Commerce.

As family size increases, the proportion of food expenditures for food consumed away from home decreases, according to the BLS survey. The survey showed that single consumers spent 38 percent of their total food expenditures for food away from home in 1960-61 (table 11). This compared with only 15 percent for families of 6 or more and an average of 20 percent for all families.

1/ The U. S. Department of Agriculture cooperated in collecting data for rural families; these data relate only to 1961.

The National Food Situation is published 4 times a year.

The next issue is scheduled for release November 1965.

Table 10.--Number of families and family money income, by income groups 1950-64

Year	Number of families	Percentage of families with income					Median income	
		Under $3,000	$3,000-4,999	$5,000-6,999	$7,000-9,999	$10,000 and over	Current	Constant
	Thou.	Pct.	Pct.	Pct.	Pct.	Pct.	Dol.	Dol.
1950	39,929	43	34	14	6	3	3,319	4,283
1951	40,578	36	35	18	7	4	3,709	4,431
1952	40,832	33	34	20	9	4	3,890	4,544
1953	41,202	30	32	21	12	5	4,233	4,911
1954	41,934	31	31	21	11	6	4,173	4,819
1955	42,843	29	30	22	13	6	4,421	5,123
1956	43,445	26	27	23	16	8	4,783	5,460
1957	43,714	25	26	25	16	8	4,971	5,481
1958	44,202	24	25	24	17	10	5,087	5,458
1959	45,062	23	22	24	19	12	5,417	5,769
1960	45,435	22	20	24	20	14	5,620	5,891
1961	46,341	21	20	22	21	16	5,737	5,951
1962	46,998	20	19	22	21	18	5,956	6,109
1963	47,436	19	18	21	23	19	6,249	6,331
1964	47,835	18	17	20	23	22	6,569	6,569

1/ Current dollars deflated by the Consumer Price Index, adjusted to 1964 level.

Bureau of the Census, Consumer Income, Current Population Reports, Series P-60, No. 44, May 27, 1965.

Table 11.--Food expenditures related to family size, all urban and rural families and single consumers, 1960-61

Family size	Income after taxes 1/		Food expenditures 2/			Food expenditures as percent of income	Food away from home as a percent of total food
	Total	Per capita	Total	Per capita			
				Food away from home	All food		
	Dol.	Dol.	Dol.	Dol.	Dol.	Pct.	Pct.
1-person	2,958	2,958	601	229	601	20.3	38.1
2-person	5,344	2,672	1,015	100	508	19.0	19.6
3-person	6,771	2,184	1,343	87	433	19.8	20.0
4-person	7,569	1,846	1,559	69	380	20.6	18.2
5-person	7,789	1,527	1,718	57	337	22.1	17.0
6 or more	6,999	1,000	1,776	37	254	25.4	14.6
Average	6,019	1,881	1,250	77	391	20.8	19.7

1/ Estimated by addition of expenditures for current consumption, personal insurance, gifts and contributions, net savings (net change in assets and liabilities), and value of items received without expense.

2/ Includes food received without expense but excludes home-produced food.

Bureau of Labor Statistics Consumer Expenditures and Income, BLS Report No. 237-93, February 1965.

COMMODITY REVIEWS

Meat

Consumption of red meat this year likely will average 6 to 7 pounds below the record 175 pounds consumed per person in 1964. Beef consumption is expected to total about the same as a year earlier, but pork, veal, and lamb and mutton will be down. The decline in red meat supplies available for consumption is being reflected in higher prices for red meats in 1965. Retail pork prices are up substantially.

Beef consumption this year likely will be about the same as or down slightly from the 100.4 pounds consumed per person last year. Per capita consumption in the third quarter probably will average about the same as the 25.4 pounds consumed per person last year, up moderately from the 24.3 pounds consumed in the second quarter of this year. Beef consumption in the fourth quarter probably will increase slightly from the 25.2 pounds per person a year earlier. Retail beef prices in June were 11 percent higher than a year earlier and likely will remain well above a year earlier through the rest of 1965.

Consumption of veal in second half 1965 likely will be the same as or slightly lower than the 2.8 pounds consumed in second half 1964. Veal consumption was the same as a year earlier during the first half of 1965. Retail veal prices in the third and fourth quarters are expected to be moderately above year-earlier levels.

Consumption of pork during the third quarter probably will average 2 pounds or more below the 15.2 pounds per person consumed in the third quarter 1964. A similar reduction is in prospect for the fourth quarter. Pork consumption was down about 2 pounds in first half 1965 from the 32.0 pounds consumed in the same months of 1964. For the year, pork consumption may be as much as 6 to 7 pounds below the 65.0 pounds consumed per person in 1964. This would be a substantial reduction, more than 10 percent, and would be the lowest since 1938. Retail pork prices averaged slightly above year-earlier levels in the first quarter, but rose sharply during the second quarter. Retail prices in the second half are expected to average near midyear levels and to continue substantially above levels in 1964.

Lamb and mutton consumption fell 0.3 pound in the first half of 1965 from the 2.2 pounds consumed per person during those months of 1964. Consumption of lamb and mutton during the second half also probably will be down from the 2.0 pounds consumed in 1964 but the decline may be smaller. This is the third consecutive year that lamb and mutton consumption has declined. Consumption is at the lowest level since 1951. Retail lamb prices have averaged 5-7 percent above year-earlier levels so far in 1965 and are expected to continue above through the end of the year.

Fishery Products

Consumption of fishery products during the first half of 1965 dropped below that of a year earlier and retail prices averaged a little higher. Reduced domestic landings, and smaller stocks of frozen edible products on hand at the first of the year contributed to the drop in available supplies.

As the second half began, frozen stocks remained substantially below a year earlier. Fillets and steaks of cod, flounder, ocean perch, and fish sticks and portions were below a year earlier. Frozen shellfish stocks on July 1 were down, except for scallops.

Domestic landings will rise seasonally during the third quarter when about 40 percent of the annual U. S. catch for human food will be landed. Shrimp production in the third quarter will rise seasonally and the catch probably will be significantly above last year. The 1965 red salmon season is nearly ended; preliminary data indicate a much larger pack this year than last. However, supplies of many other popular fishery products will remain smaller than during July-September 1964. Retail prices of fishery products likely will average a little higher than last year.

Poultry

Commercial production of poultry in January-June totaled 3,304 million pounds, ready-to-cook weight, up 2 percent from the first half of 1964. In the second half, poultry production is increasing further above last year's level. Per capita consumption of chicken and turkey in 1965 likely will establish a record high, about 1½ pounds above the 38.4 pounds in 1964. Essentially all of the increase is expected in broilers.

Young chickens slaughtered under Federal inspection, which ran 1 to 3 percent above a year earlier in each of the last 4 quarters, likely will be up about 10 percent in July-September. October-December slaughter also is expected to be much greater than in the same period last year.

Retail prices of fryers in first half 1965 averaged 3 percent above a year earlier because of smaller red meat supplies and generally strong demand conditions. However, rapidly increasing production over the next 6 months is expected to bring fryer prices down from current levels. Prices in the second half are likely to average about the same as or a little under a year earlier.

Turkey supplies in first half 1965 were smaller than a year earlier because of smaller production and a smaller carryover of old-crop turkeys. Nevertheless, per capita consumption was maintained at the 1964 level through a more rapid draw down of cold storage holdings. Turkey prices to consumers in January-June averaged slightly above a year earlier.

Cold storage holdings of turkey on July 1 totaled 68 million pounds, down from 89 million a year earlier. However, turkey production in the second half is likely to be up from the 1964 level and to more than offset smaller storage holdings. Consequently, turkey will be a little more plentiful this year than last during the holiday season. Retail turkey prices in September-December probably will average about the same as in the fall of 1964.

Eggs

About the same number of eggs were produced in the first half of 1965 as in January-June 1964. Daily average production was within 1 percent of a year earlier in each month except January when it was 4 percent greater. Output is now declining seasonally but is likely to continue hovering close to the 1964 level for the next 2 or 3 months. By late fall and winter, however, production may drop significantly under a year earlier. Farmers are raising considerably fewer chickens for replenishing laying flocks than in 1964.

Per capita egg consumption in 1965 probably will drop about 2 percent from the 314 eggs in 1964. Use of both shell eggs and processed eggs is likely to be lower. Fewer shell eggs were utilized for liquid and dried egg products in January-June than in the same period last year, partly because USDA did not purchase whole egg solids this year. In 1964, the Department bought the equivalent of 46 million dozen eggs in dried form, about 1 percent of production.

Retail prices for Grade A large eggs in the first quarter, at 49 cents per dozen, were the lowest for this period since before World War II. Because they were so depressed in the first quarter, egg prices did not decline further in the second quarter as would have been expected from the normal seasonal pattern. In April-June, retail prices also averaged 49 cents per dozen, the same as in second quarter 1964. Egg prices are now increasing seasonally and the rise this year between spring and fall is likely to be about the same as in 1964. In October-December 1964, the retail price of Grade A large eggs was 56 cents per dozen.

Dairy Products

Per capita use of cheese, frozen dairy products, and fluid skim milk items probably will rise slightly this year. Per capita use of fluid milk and dry milk is expected to remain about the same as last year, but use of fluid cream, evaporated milk, and butter likely will fall below 1964. Retail dairy product prices in the second half of 1965 probably will average seasonally higher than current levels and also may be slightly higher than year-earlier levels.

Average daily milk production and total commercial disappearance in first half 1965 were each about 1 percent above a year earlier. Stocks of manufactured dairy products in commercial hands increased about the same amount as a year earlier. Commodity Credit Corporation purchases (delivery basis) and PIK exports (certificates issued) were 5 percent smaller than during first half 1964. Milk production is declining seasonally in third quarter 1965 but production is expected to total slightly above last year's levels.

During January-May 1965, sales of fluid whole milk in urban marketing areas increased 1 percent over a year earlier, and January-April sales of skim milk and low fat items increased 9 percent. However, sales of fluid cream declined 1 percent, and milk and cream mixtures declined 2 percent. Per capita sales of fluid milk products combined are being maintained this year, but civilian consumption in milk equivalent terms may fall 1 percent from the 305 pounds per capita of 1964.

Butter consumption declined about 8 percent from a year earlier during January-June 1965 primarily because the USDA stopped donations to institutions and needy persons. These donations were resumed in July so second half consumption is likely to be about the same as a year earlier. However, for the year, use per person will average about 4 percent below 1964.

Disappearance of cheese in the first 5 months of 1965 was about 2 percent greater than in the same period of 1964. For the year, cheese consumption may be slightly above last year's 9.5 pounds per person. Gains are occurring in both American and foreign-type cheese.

Use of evaporated milk in the first 5 months of 1965 was about 7 percent below a year earlier. The 1965 per capita use is expected to decline from 9.0 pounds in 1964, about in line with the 0.6 pound annual average decline during 1954-64.

In January-May, nonfat dry milk domestic use gained about 2 percent from the same period of 1964. Per capita civilian use for the year may be about the same as the 6.0 pounds in 1964.

During the first half of 1965, production of ice cream increased 1 percent from a year earlier. This year's per capita civilian disappearance may average about the same as last year's 18.2 pounds.

Retail prices of dairy products averaged about the same in second quarter 1965 as a year earlier. Farmers received about 2 percent more for milk and farm-retail dairy price spreads declined slightly. Retail dairy product prices in the second half likely will rise seasonally.

Food Fats and Oils

Total supplies of fats and oils (including oil equivalent of oilseeds) during second half 1965 will be greater than a year ago, resulting primarily from an expected bumper soybean crop this fall. The increased production of this commodity will more than offset smaller butter and lard supplies.

Domestic use of food fats and oils during the balance of 1965 may average slightly below that of a year earlier. For the entire year, disappearance likely will expand nearly in line with population growth. Normal consumption patterns are expected to prevail, with seasonal lows occurring this summer, followed by rising usage beginning this fall.

Annual per capita consumption is expected to average near the longterm rate of around 47 pounds (fat content). In line with historical trends, further declines are in prospect for butter and lard (direct use). Lard used in margarine will far exceed the rate used last year but quantities used in

shortening likely will be near last year's level. Slight increases are expected for margarine and shortening consumption while cooking and salad oil may show a small decline from the record level of a year ago.

Exports of food fats (including oil content of soybeans) should continue strong through the rest of 1965. However, exports of vegetable oils, butter, and lard may be somewhat below the unusually brisk pace of last half 1964.

Retail prices of most major food fat products during January-June 1965 averaged well above year-earlier levels. Shortening prices were up 12 percent and margarine, up 7 percent; cooking and salad oils, were up 7 percent, peanut butter, up 3 percent, and butter, up 2 percent. Salad dressing (Italian style) was fractionally below last year. Prices began edging upwards early last fall and rose rapidly during the winter, in line with increased wholesale prices of edible fats and oils which began late last summer. Over the rest of the calendar year, prices may decline slightly, reflecting seasonal patterns but also lower wholesale prices for edible fats and oils.

Fruits

Total supplies of fresh deciduous fruits in prospect for late summer and early fall are somewhat below the large volume of a year earlier. Although supplies of fresh citrus will continue seasonally light this summer, they are running a little above a year earlier. Supplies of processed deciduous fruits are expected to continue heavy this summer and fall and those of processed citrus juices to be much above year-earlier quantities. Retail prices for fresh fruits and processed deciduous fruits are expected to vary around year-earlier levels, but those for citrus juices to be substantially lower.

Prospective supplies of fresh deciduous fruits for late summer and early fall are not quite up to the large volume of this period in 1964. Decreases from last year will be most noticeable for Bartlett pears, due especially to light crops in California and Washington. Reductions also are expected for Pacific Northwest peaches and prunes, mainly because of a near failure of the Washington peach crop and the short Washington prune crop. Increases over last year are expected for fresh plums and grapes. Nectarines will be about as plentiful as last year. Supplies of apples likely will be a little larger than last year in the Eastern States but somewhat smaller in the Central and Western States. The 1965 U. S. deciduous fruit crop is expected to be 1 percent below the record 1964 crop but 10 percent above the 1959-63 average. Continued large imports of bananas are expected this summer and fall.

Fresh citrus fruit supplies for late summer, principally from California, appear to be somewhat larger than a year earlier, mainly because of slower harvest and increased storage of lemons. In mid-July, prospects for the 1965-66 citrus crop were generally favorable. Since the new crop will be produced on increased acreage, prospects are good for some gain in total supplies. Retail prices for fresh oranges during late summer and early fall probably will continue somewhat below year-earlier levels.

Continued large supplies of canned fruits are in prospect for the second half of 1965. Carryover stocks at the start of the 1965 season for canning were sharply above a year earlier. But the new packs of a number of items are expected to be down from 1964 because of lighter crops. They include canned pears, sweet cherries, and fruit cocktail. But some increase is indicated for apricots and peaches. Retail prices for the items packed in smaller volume probably will average higher this summer and fall than last year.

Total supplies of frozen deciduous fruits and berries for the rest of 1965 may not be greatly different from the large supplies of a year earlier. Probable decreases in the 1965 pack are expected to be about offset by sharp increases in carryover stocks. The new packs of frozen strawberries and red tart cherries, the leading items, are expected to be down moderately to considerably from last year. Cold storage stocks of frozen deciduous fruits and berries on July 1 were about two-fifths above a year earlier.

Supplies of frozen and canned citrus juices are expected to continue much larger this summer and fall than a year earlier. In mid-July, Florida packers' stocks of frozen orange concentrate and canned single-strength orange and grapefruit juice were each more than 50 percent above year-earlier. Supplies of chilled citrus juices will be seasonally light until the new fall crop becomes available. Retail prices for most processed citrus juices are expected to continue considerably lower this summer and fall than a year earlier.

Increased supplies of dried fruits are in prospect for the season starting this summer. Early-season indications point to increased output of raisins and prunes, which together account for most of the annual pack. But output of some of the minor items probably will be down. Carryover stocks are expected to total substantially larger this summer than a year earlier.

Supplies of U. S. grown edible tree nuts probably will be somewhat larger during late summer and fall than a year earlier. Early season indications for 1965 crops point to a moderate increase for almonds but to some decrease for walnuts and filberts. Supplies of pecans following fall harvest probably will be somewhat above last year's small crop. Total supplies will include imports of many kinds of tree nuts, especially cashews and Brazil nuts, which are not grown commercially in the United States.

Vegetables

Supplies of fresh vegetables and melons will be in seasonally heavy volume into early fall, with prices likely to hold near current levels. Increasing supplies are in prospect for potatoes and sweetpotatoes. Retail prices for both are well under the high levels of early summer, and during the next few months are expected to average close to a year earlier. Vegetable processing activity is about at a peak; early reports indicate total canned and frozen supplies from now into mid-1966 will be about the same as year earlier.

Supplies and use of fresh vegetables will be at peak levels during August and September as local garden supplies supplement marketings from commercial production areas. Commercial production this summer is slightly larger than a year ago, with supplies of most items up. Early reports indicate more cabbage, carrots, celery, sweet corn, onions, and tomatoes. The only major items in smaller supply this summer than last are snap beans, cucumbers, and lettuce. Retail prices probably will average below those of a year earlier when supplies were down and prices relatively high because of widespread drought.

Watermelon marketings during late summer likely will be larger than a year earlier, but cantaloup supplies will be down substantially because of less acreage. Melon consumption this year is expected to be smaller than in 1964 as a result of smaller cantaloup production all year and a smaller spring watermelon supply.

Overall supplies of canned vegetables for the 1965-66 marketing season are expected to be near those of last season, and considerably above average. Among leading commodities, smaller supplies are in prospect for tomatoes and most tomato products, beets, asparagus, and spinach. But supplies of sweet corn, snap beans, peas, and kraut probably will be larger. Retail prices for canned vegetables in late summer and fall probably will average the same to slightly higher than a year earlier. Consumption for 1965 as a whole may be down a little from that in 1964. Frozen vegetable supplies likely will be up at least moderately, mainly because of considerably more snap beans, peas, and sweet corn. Prices at retail probably will be down slightly this fall compared with last, and comsumption for the year is expected to be about as large as in 1964.

Harvest of potatoes is increasing seasonally. Summer crop output is expected to total substantially larger than last summer, although below average. Despite larger supplies, market demand is strong and retail prices this summer may average about the same as last summer although well below the extreme highs of earlier this year. Ample potato supplies are in prospect this fall. Acreage of the important fall crop is up 8 percent from last year, and with average yields, production will be up sharply. Because of tight supplies during the first half of this year, per capita consumption of potatoes in 1965 will total slightly less than last year.

The 1965 sweetpotato crop is estimated 8 percent larger than in the short crop in 1964. Harvest is just starting, but marketings will rise steadily during the next few months. Since overall supplies are up, prices likely will average below the exceptionally high levels of last season.

Dry edible bean supplies next season, beginning September 1, probably will be materially larger than a year earlier. Production is expected to be up substantially from 1964. But dry pea supplies probably will be much smaller. Growers reduced acreage sharply, and 1965 production is down about a fifth from last year.

Cereal Products

Food Grains

Per capita consumption of products made from wheat, rye, and rice in 1965 is expected to continue near the levels of 1964. Consumption of flour on a per capita basis last year was 116 pounds while that of milled rice was 6.8 pounds.

Retail prices of cereal and bakery products in April-June were unchanged from the previous quarter. During 1964 the retail price of a 1-pound loaf of white bread was 20.7 cents but it increased to an average of 21.0 cents during the first half of 1965.

In 1964, 505 million bushels of wheat were used for civilian food. Another 864 million bushels was exported and 84 million bushels were used for nonfood purposes, mostly feed and seed. Total use of 1.5 billion bushels exceeded production of 1.3 billion bushels; carryover of wheat January 1, 1965, was reduced by 164 million bushels from the year previous.

Corn, Oats and Barley

Based on domestic sales, the consumption of corn sirup in the first half of 1965 was slightly higher than a year earlier, while that of corn sugar was a little lower. During January-June, domestic sales of corn sugar totaled 505 million pounds, 6 percent less than a year earlier. Corn sirup sales during this period totaled 1,294 million pounds, 2 percent above a year earlier. The per capita consumption of corn sirup in 1965 may not differ much from the 13.7 pounds in 1964, while the per capita consumption of corn sugar may decline a little from the 4.4 pounds last year.

Consumption of all corn products has been increasing in recent years. Consumption of 53 pounds per capita (grain equivalent) in 1964 was the highest since 1947. Consumption of corn food products followed a long-term downward trend, reaching a low of about 44 pounds per capita in 1957. Since that year, per capita consumption has increased about 20 percent. In recent years, declining consumption of cornmeal has been more than offset by increasing consumption of other corn products, especially sugar and sirup. Per capita consumption of corn products in 1965 may decline slightly from the high level reached in 1964. Consumption of food products made from oats, principally oatmeal, has averaged about 3.5 pounds per capita in recent years and is expected to continue at about that level for 1965. Consumption of barley food products, excluding malt used in malt liquors, has averaged only about 1 pound per capita in recent years.

The retail price of cornflakes averaged 29 cents per 12-ounce package in June, about the same as a year earlier. Retail prices have increased about 2 percent annually over the past 5 years.

Sweeteners

U. S. consumption of sweeteners during 1965 is expected to exceed consumption in 1964 about in line with population growth. Sweeteners will be in ample supply for the remainder of 1965. Wholesale prices of sweeteners probably will remain about stable, or perhaps decline somewhat. However, retail prices of some sweeteners may increase slightly, due primarily to higher distribution and handling costs.

Sugar

Domestic sugar consumption requirements for 1965 currently total 9.2 million tons, raw value, 1/ as determined by the Secretary of Agriculture. Sugar deliveries by primary distributors for U. S. consumption through July 3 totaled 4.7 million tons, raw value. This was 6 percent more than in the same 1964 period, but 3 percent less than in 1963. Cane refiners' stocks at the beginning of July, totaling 0.7 million tons, were down 18 percent from the high level of 1964 but only 6 percent from the 1960-64 average. However, beet sugar stocks of 1.3 million tons on July 3 were 32 percent larger than those available a year earlier. Estimated 1965 per capita consumption of sugar, at 95.5 pounds refined value, is down slightly from the 95.8 pounds consumed in 1964.

Sugar prices were relatively stable in the United States during the first half of 1965. Prices are expected to continue near the same levels during the remainder of 1965. In May, a 5-pound package of refined sugar (cane or beet) averaged 59 cents in retail stores throughout the country. Most commercial food and beverage processors paid between $9 and $11 per hundredweight for delivered refined sugar during the same month.

Non-Caloric Sweeteners

Domestic consumption of non-caloric sweeteners this year is expected to increase substantially above 1964. Reported production of synthetic sweeteners in 1964 totaled 12.2 million pounds, more than double the 5.7 million pounds in 1963. However, these figures do not separate saccharin (about 300 times as sweet as sugar) from cyclamate (about 30 times as sweet as sugar). Estimated 1965 production of non-caloric sweeteners probably will exceed 16 million pounds.

Trade sources estimate that, of the reported 12.2 million pounds of sweeteners produced last year, about 10 million pounds were cyclamate and around 2.2 million pounds were saccharin. Assuming a sweetener ratio of 30 to 1, 1964 cyclamate consumption was equivalent to about 150,000 tons of refined sugar. Estimated U. S. saccharin production of around 2.2 million pounds plus imports of 0.8 million pounds approximates 3.0 million pounds of saccharin domestically consumed in 1964, assuming no change in stocks. Assuming a sweetener ratio of 300 to 1, 1964 saccharin consumption was equivalent to about 450,000 tons of refined sugar. Per capita consumption of non-caloric sweeteners last year was estimated at 6.2 pounds sugar equivalent, or about 6 percent of per capita sugar consumption in 1964. Expected per capita consumption of non-caloric sweeteners for 1965 probably will range between 7.0 and 8.0 pounds sugar equivalent.

1/ 107 pounds raw value equals 100 pounds refined value.

The major share of U. S. cyclamate consumption, about 53 percent, is used in the production of soft drinks; another 17 percent is used in dry soft drink bases. In addition, about 10 percent of domestic saccharin consumption is used in soft drink production. However, despite the recent large increase in consumption of non-caloric sweeteners in soft drinks, consumption of sugar used in commercially processed beverages decreased only 2.5 percent in 1964 from the previous year.

Some of the increased use of non-caloric sweeteners by commercial food and beverage processors was stimulated by recent substantial price reductions. Cyclamate, currently selling for $0.72 per pound, was selling for $1.95 per pound as recently as January 1963. Calcium saccharin currently is selling for $2.10 per pound while sodium saccharin is selling for about $1.40 per pound; as recently as July 1964, calcium saccharin was selling for $2.50 and sodium saccharin for $1.70. At present, domestic cyclamate and saccharin wholesale prices are somewhat higher than imported prices. Some of the most recent price reductions in non-caloric sweeteners were related to the recent rise in imports, especially of saccharin.

Cocoa

Wholesale cocoa prices, responding to a combination of record cocoa production last year and forecasts for high output in 1965-66, continued to drop rapidly in early 1965. The June average price of the New York "Spot" Accra bean was 13.9 cents per pound compared with 22.4 cents a year earlier. A downward trend characterized the early 1965 cocoa futures market with prices reacting to a slowdown in demand, large supply, and a lack of information on actual supply-demand market conditions. The expectation that the next cocoa crop will again be much larger than last year suggests that world prices may continue at low levels.

High-income countries are the principal importers of cocoa, particularly the United States which consumes about 25 percent of the raw cocoa produced. The EEC countries import about 35 percent of the world total. Ghana, the largest producer, produces about a third of the world's cocoa crop.

Total cocoa imports the first 6 months of 1965 were 12 percent greater than a year earlier. Grindings in the first half increased 4 percent over this period in 1964. The greater increase in imports than in grindings suggests a stock decrease, probably due to extremely low prices for cocoa beans.

U. S. per capita consumption decreased during the 1950's but has risen slightly in recent years. A 5-percent increase in U. S. cocoa consumption is estimated for 1965, to 4.1 pounds per person. At current U. S. income levels, consumption appears to be negatively related to income, and quantity responses to price changes are small. 1/ But, past studies indicate that other factors as well as price and income influence consumption, namely, the growth and distribution of population and changes in tastes.

1/ Behrman, J. R. "Cocoa: A study of Demand Elasticities in the Five Leading Consuming Countries, 1950-1961." Journal of Farm Economics. Vol. 47. No. 2 (May 1965), pp. 410-417.

Table 12.--Production of major food commodities, calendar years, selected periods, 1947-65 1/

Commodity	Unit	Average 1947-49	Average 1957-59	1962	1963	1964 Preliminary	Preliminary estimates for 1965 2/	1965 as a percentage of 1947-49	1965 as a percentage of 1957-59	1965 as a percentage of 1964
Meats (carcass weight) - Total	Mil.lb.	22,100	26,612	28,989	30,595	32,705	31,610	143	119	97
Beef	Mil.lb.	9,649	13,704	15,320	16,450	18,448	18,650	193	136	101
Veal	Mil.lb.	1,454	1,240	1,016	928	1,011	1,010	69	81	100
Lamb and mutton	Mil.lb.	716	711	809	770	715	650	91	91	91
Pork (excluding lard)	Mil.lb.	10,281	10,957	11,844	12,447	12,531	11,300	110	103	90
Poultry and eggs 3/										
Eggs	Mil.doz.	5,086	5,475	5,367	5,318	5,379	5,350	105	98	99
Chicken (ready-to-cook)	Mil.lb.	2,753	4,880	5,840	6,077	6,252	6,570	239	135	105
Turkey (ready-to-cook)	Mil.lb.	491	1,065	1,304	1,342	1,433	1,490	303	140	104
Dairy products										
Total milk	Bil.lb.	4/116.3	123.3	126.0	125.0	126.6	127.0	109	103	100
Cheese 5/	Mil.lb.	1,160	1,396	1,592	1,632	1,726	1,775	153	127	103
Condensed and evaporated milk	Mil.lb.	3,497	2,789	2,409	2,369	2,394	2,290	65	82	96
Ice cream (product weight)	Mil.lb.	2,758	3,212	3,381	3,444	3,531	3,600	131	112	102
Fats and oils - Total fat content 6/	Mil.lb.	7,627	11,070	13,328	13,653	14,025	14,625	192	132	104
Butter, (actual weight)	Mil.lb.	1,611	1,477	1,579	1,453	1,468	1,445	90	98	98
Lard 7/	Mil.lb.	2,419	2,584	2,480	2,476	2,476	2,260	93	87	91
Margarine (actual weight)	Mil.lb.	839	1,549	1,726	1,794	1,857	1,875	223	121	101
Shortening	Mil.lb.	1,434	2,022	2,689	2,561	2,649	2,675	187	132	101
Other edible fats and oils 8/	Mil.lb.	3,912	7,297	9,577	10,007	10,367	11,202	286	154	108
Fruits										
Fresh:										
Citrus	Mil.lb.	8,783	6,695	6,180	4,852	5,630	6,200	71	93	110
Apples (commercial)	Mil.lb.	3,775	3,972	3,784	3,775	3,988	3,900	103	98	98
Other (excluding melons)	Mil.lb.	4,493	4,082	4,079	3,687	3,789	3,800	85	93	100
Processed:										
Canned fruit	Mil.lb.	2,597	3,591	4,922	4,371	5,418	5,000	193	139	92
Canned fruit juices	Mil.lb.	2,230	2,177	2,797	2,942	2,623	3,000	135	138	114
Frozen (including juice)	Mil.lb.	415	1,556	2,037	1,232	1,531	1,800	434	116	118
Dried	Mil.lb.	961	697	722	774	820	800	83	115	98
Vegetables 9/										
Fresh 10/	Mil.lb.	18,504	19,921	21,023	21,391	20,976	21,200	115	106	101
Canned	Mil.lb.	5,993	7,620	9,258	8,615	8,473	8,735	146	115	103
Frozen	Mil.lb.	439	1,183	1,493	1,455	1,507	1,600	364	135	106
Potatoes and sweetpotatoes										
Potatoes	Mil.cwt.	248	252	267	272	240	280	113	111	117
Frozen potato products	Mil.lb.	9	287	762	861	1,118	1,200	13,333	418	107
Sweetpotatoes	Mil.cwt.	25.3	18.2	19.4	15.8	15.3	16.4	65	90	107
Dry edible beans 11/	Mil.lb.	1,854	1,797	1,860	2,061	1,781	2,072	112	115	116
Dry field peas 11/	Mil.lb.	401	376	496	476	474	375	94	100	79
Melons 10/	Mil.lb.	4,061	4,454	4,478	4,742	4,378	4,400	108	99	101
Sugar, raw basis	1,000 tons	2,066	2,732	4,399	4,870	5,587	5,550	269	203	99
Grains										
Wheat	Mil.bu.	1,251	1,178	1,094	1,142	1,290	1,354	108	115	105
Rye	Mil.bu.	23.1	28.3	40.8	29.2	33.5	31.0	134	110	93
Rice, rough	Mil.cwt.	35.3	45.7	54.2	66.1	70.3	73.1	207	160	104
Corn, grain only	Mil.bu.	2,787	3,409	3,637	4,092	3,549	3,912	140	115	110
Oats	Mil.bu.	1,282	1,248	1,020	979	882	888	69	71	101
Barley	Mil.bu.	279	447	436	406	403	364	130	81	90
Peanuts, farmers' stock basis	Mil.lb.	2,128	1,613	1,810	2,022	2,205	12/	---	---	---

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated.
2/ Based on the best available information but subject to revision in line with later data from the Crop Reporting Board.
3/ Includes an allowance for nonfarm production.
4/ Includes an allowance for nonfarm production of 1.1 billion pounds in 1947-49.
5/ Excludes full skim, cottage, pot, and bakers' cheese.
6/ Includes butter, lard, and "other edible fats and oils."
7/ Includes amount used in manufactured food and nonfood products.
8/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils, oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items.
9/ Excludes potatoes and sweetpotatoes.
10/ Covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use.
11/ Cleaned basis.
12/ Not available.

Table 13.--Retail food price indexes and Consumer Price Index, selected periods

(Index, 1957-59=100)

Year and month	Food at home											Food away from home	All food	Consumer Price Index
	Meat 1/	Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fruits and vegetables	Cereal and bakery products	Sugar and sweets	Beverages	Total			
1935-39	37.8	68.7	28.9	60.3	45.9	65.4	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.7	132.5	86.4	122.7	88.3	117.9	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	91.4	126.1	89.0	104.7	84.7	94.2	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	103.6	132.1	101.6	127.4	94.5	110.3	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	102.6	132.6	99.0	116.3	98.5	93.5	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	95.8	129.3	95.3	123.2	96.8	93.9	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	95.3	116.7	95.8	103.1	93.7	98.9	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	87.7	121.5	93.9	106.5	93.6	95.9	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	84.8	106.5	93.8	105.9	96.0	98.0	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	94.2	103.8	95.0	100.9	98.8	102.4	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	104.9	102.6	101.6	106.1	100.3	101.2	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	101.0	93.5	103.4	92.9	101.0	96.5	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	99.2	95.0	103.5	100.1	103.2	92.1	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
1961	100.5	85.8	105.8	100.1	104.8	98.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2
1962	102.5	90.7	110.2	94.6	104.1	98.5	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4
1963	100.9	89.3	110.0	96.0	103.8	95.7	111.0	109.1	110.1	90.4	103.5	113.2	105.1	106.7
Jan.	103.6	90.0	111.0	103.1	103.8	96.8	106.4	108.7	102.0	88.9	103.2	112.3	104.7	106.0
Feb.	102.8	91.0	110.0	100.1	103.6	96.8	109.4	109.2	102.6	89.1	103.5	112.5	105.0	106.1
Mar.	101.2	91.1	110.4	98.6	103.5	96.2	109.6	109.1	102.9	88.9	103.0	112.6	104.6	106.2
Apr.	98.3	89.8	110.5	96.1	102.9	96.0	112.0	109.2	103.1	88.7	102.6	112.8	104.3	106.2
May	98.1	88.5	111.1	85.2	102.8	95.5	113.9	109.3	106.0	89.2	102.5	112.9	104.2	106.2
June	98.6	89.4	110.3	83.6	102.8	95.3	115.6	109.2	121.2	89.9	103.4	113.0	105.0	106.6
July	100.9	88.9	109.7	88.2	103.3	95.4	118.7	109.2	117.9	91.3	104.8	113.1	106.2	107.1
Aug.	102.6	88.1	109.1	91.7	104.2	95.7	114.2	109.1	114.0	92.0	104.5	113.3	106.0	107.1
Sept.	102.6	89.0	109.2	102.8	104.3	95.4	108.1	109.1	110.0	91.8	103.8	113.6	105.4	107.1
Oct.	101.4	88.5	108.8	103.6	104.6	95.2	106.3	109.1	109.9	91.6	103.2	114.0	104.9	107.2
Nov.	100.4	88.5	109.5	99.2	104.8	95.1	108.2	109.1	114.3	91.8	103.4	114.0	105.1	107.4
Dec.	99.7	89.0	109.7	99.6	105.0	95.4	109.8	109.0	117.0	92.1	103.7	114.3	105.4	107.6
1964 6/	99.4	87.3	107.4	95.0	104.7	95.4	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.1
Jan.	99.0	87.4	108.8	106.0	105.0	96.2	112.4	109.1	117.9	93.4	104.2	114.3	105.8	107.7
Feb.	99.0	87.1	108.5	101.4	104.8	95.9	113.9	109.0	118.3	95.7	104.4	114.4	106.0	107.6
Mar.	97.9	86.5	107.1	93.3	104.5	95.1	115.1	108.8	117.6	98.6	104.0	114.7	105.7	107.7
Apr.	97.7	85.7	107.1	90.8	104.1	95.4	115.7	108.8	117.0	101.0	103.9	114.9	105.7	107.8
May	97.3	85.7	106.9	85.3	103.9	95.0	115.7	108.9	116.6	102.4	103.7	115.0	105.5	107.8
June	97.2	87.5	106.5	83.3	104.0	94.6	120.2	109.2	115.5	103.4	104.4	115.1	106.2	108.0
July	99.5	89.1	106.5	87.9	104.3	95.0	122.3	109.2	114.3	103.8	105.7	115.2	107.2	108.3
Aug.	100.2	87.5	106.6	93.8	104.4	94.7	117.3	109.6	114.2	104.1	105.3	115.3	106.9	108.2
Sept.	103.0	87.7	106.4	104.9	104.6	94.7	112.2	109.9	114.0	103.7	105.6	115.5	107.2	108.4
Oct.	101.9	88.2	107.2	100.3	105.3	95.4	111.7	110.4	113.9	103.4	105.3	115.7	106.9	108.5
Nov.	100.4	87.8	108.0	98.5	105.3	96.1	113.0	110.7	113.7	103.4	105.1	115.9	106.8	108.7
Dec.	99.8	87.9	108.7	94.9	105.6	97.6	114.5	111.0	113.4	103.4	105.1	116.0	106.9	108.8
1965														
Jan.	100.1	86.7	109.3	91.6	105.6	100.7	112.4	111.1	113.5	103.3	104.8	116.1	106.6	108.9
Feb.	100.0	89.2	110.1	86.1	105.2	102.2	113.3	110.7	113.3	103.0	104.8	116.3	106.6	108.9
Mar.	100.3	88.9	109.9	83.5	105.0	102.5	115.3	110.9	113.6	101.5	105.0	116.5	106.9	109.0
Apr.	100.4	89.0	110.1	88.6	104.5	103.4	117.6	111.0	113.7	100.4	105.5	116.8	107.3	109.3
May	101.3	87.4	110.3	87.5	104.2	103.6	121.4	110.8	113.7	99.8	106.2	116.9	107.9	109.6
June	108.0	93.5	110.4	83.9	104.0	103.9	125.9	111.0	113.9	100.2	108.8	117.2	110.1	110.1

1/ Beef, veal, lamb and mutton, pork, and processed meat. 2/ Chicken only prior to 1964. 3/ Includes butter. 4/ Excludes butter. 5/ Data not collected prior to 1953. 6/ Revised beginning January 1964. Item selection and quantity weights reflect the buying pattern of wage earners and clerical workers in 1960-61 and for the first time include single person families. Series are linked at December 1963. The averages for fats and oils after December 1963 are computed by Economic Research Service using data for items additional to those in the CPI. Bureau of Labor Statistics.

SELECTED RECENT ARTICLES, REPORTS, AND SPEECHES PERTAINING TO FOOD CONSUMPTION DATA AND ANALYSES 1/

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Increasing World Food Output: Problems and Prospects, by Lester R. Brown. FAER-25, April 1965. 140 pp.

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Long-run Projections of Food Processing and Marketing in the West, by Dale G. Stallings. AER-78, June 1965 45 pp.

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The Domestic Tree Nut Industries--An Economic Appraisal, by Jules V. Powell. Agricultural Economic Report No. 62. Nov. 1964. 41 pp.

Farm-Retail Spreads for Food Products, 1947-64. ERS-226. Apr. 1965. 45 pp.

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Homemakers' Use of and Opinions about Selected Fruits and Fruit Products--A Preliminary Summary Report, by L. Yvonne Payson. SRS-6, May 1965. 11 pp.

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Major Marketing Channels for Shell Eggs in 18 Metropolitan Areas. ERS-219. Feb. 1965. 31 pp.

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Nature of Competition in Fluid Milk Markets--Market Organization and Concentration, by Alden C. Manchester. Agricultural Economic Report No. 67. Feb. 1965. 76 pp.

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1/ Unless otherwise indicated, items listed are Economic Research Service publications and single copies may be obtained free from the Division of Information, Office of Management Services, U. S. Department of Agriculture, Washington D. C. 20250.

2/ Copies available from Georgia Agr. Experiment Station, Experiment, Georgia.

3/ Copies available from U. S. Dept. of Labor. Bureau of Labor Statistics, Washington, D. C. 20212.

4/ For sale by the Superintendent of Documents, U. S. Govt. Printing Office, Washington, D. C. 20402.

5/ Available free from Regional Information Office, F.A.O., USDA, Washington, D. C. 20250.

6/ May be obtained from Information Division, Agricultural Research Service, Federal Center Building, Hyattsville, Maryland. 20781.

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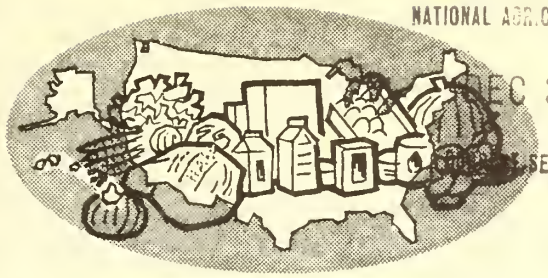
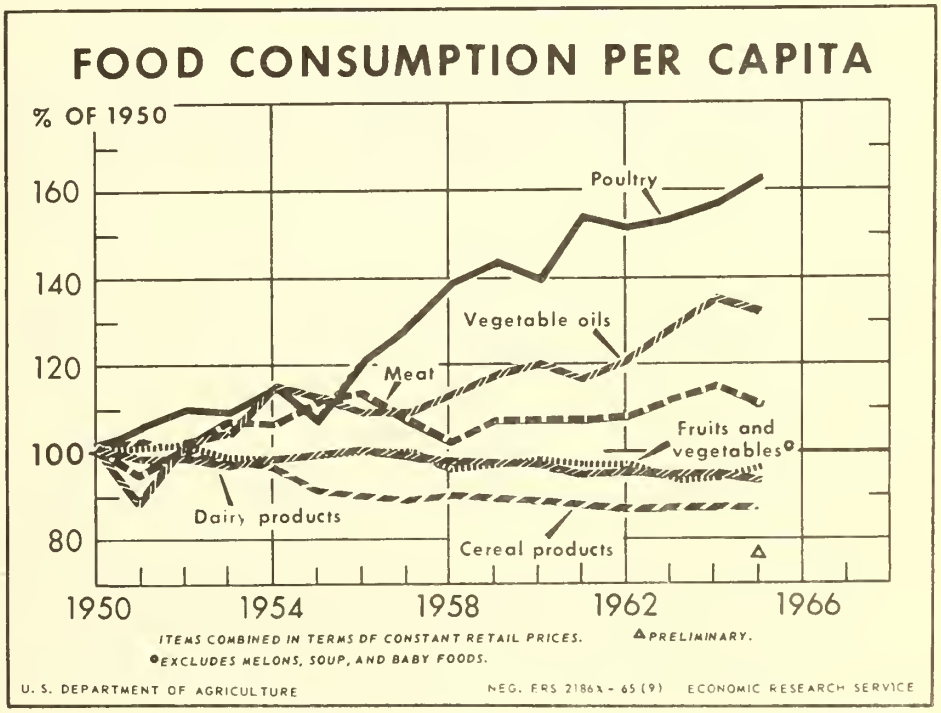


NATIONAL FOOD SITUATION

NFS-114 For Release November 18, A. M. NOVEMBER 1965

Per capita consumption of most livestock products declined in 1965. Poultry meat consumption, however, was increased to a new record high. Despite the drop this year, mostly for pork, meat consumption remained above most recent years. Fruit and vegetable consumption increased in 1965, primarily because of a large increase for citrus. But per capita consumption of fruits and vegetables remained below the 1950 level.

Per capita consumption of all foods when weighted by their prices declined about half of 1 percent in 1965; when weighted on a caloric basis, about 1 percent.



IN THIS ISSUE

Nutritional Review

Food and Beverage Sales by the Retail Trade

The Sweetener Market--Trends and Prospects

Published quarterly by
ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE

Table 1.--Volume of farm marketings and home consumption 1/

(Index numbers, 1957-59=100)

Item	1947-49 average	1958	1959	1960	1961	1962	1963	1964	1965 Preliminary 2/	1965 as a percentage of 1947-49	1965 as a percentage of 1964
Marketings and home consumption of all farm commodities	86	101	104	107	108	109	114	116	116	135	100
Food marketings and home consumption	87	100	103	104	107	107	111	114	114	131	100
Food marketings	82	100	103	105	109	109	113	117	117	143	100
Total food livestock 3/	79	98	103	104	108	110	114	118	117	148	99
Meat animals	81	97	103	105	108	110	116	121	119	147	98
Poultry and eggs	66	100	105	105	113	113	116	120	124	188	103
Dairy products	84	100	100	102	106	107	107	109	109	130	100
Total food crops 4/	98	104	105	108	110	107	110	113	116	118	103
Food grains 5/	102	114	106	117	114	102	111	119	121	119	102
Vegetables 6/	91	99	103	104	109	110	110	106	108	119	102
Fruit and nuts 7/	92	94	106	99	103	107	101	103	107	116	104
Sugar crops	78	97	105	105	115	117	152	154	153	196	99
Home consumption	161	100	94	87	81	75	73	67	63	39	94
Livestock	159	99	93	82	75	73	69	64	60	38	94
Crops	168	104	97	98	94	80	83	75	71	42	95
Nonfood marketings 8/	82	104	109	114	110	116	125	123	120	146	98

1/ Quantities of farm products weighted by average 1957-59 farm prices since 1955, 1947-49 prices in earlier years. Excludes Alaska and Hawaii. 2/ Indications for 1965 are based on calendar-year quantities estimated as of November 1, 1965. 3/ Includes honey. 4/ In addition to the crops listed below, includes peanuts, peppermint, popcorn, and spearmint. 5/ Wheat, rye, rice, and buckwheat. 6/ Truck crops for fresh use and processing, potatoes, sweetpotatoes, dry edible beans, dry field peas, mung beans, and melons 1955 to date. 7/ Except peanuts and, beginning 1955, melons. 8/ There are no nonfood items in the home consumption index.

Table 2.--Food consumption per capita 1/

(Index, 1957-59=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy, excluding butter	Fats and oils, including butter	Fruits 2/ Fresh	Fruits 2/ Processed	Fruits 2/ Total	Vegetables 3/ Fresh	Vegetables 3/ Processed	Vegetables 3/ Total	Potatoes and sweetpotatoes	Cereal products	Sugar and sweeteners	Coffee, tea and cocoa	All food Animal products	All food Crops 4/	All food Total
1910	96	49	107	82	70	101	148	14	80	114	24	85	208	149	54	65	87.2	87.0	86.9
1920	90	45	113	81	80	91	154	31	92	119	30	90	163	129	63	79	85.4	87.7	86.2
1930	85	52	97	89	83	113	145	35	89	126	47	100	138	131	85	81	86.3	95.7	89.9
1940	93	52	102	86	87	115	153	57	105	130	57	107	127	120	86	101	91.0	100.7	94.8
1941	94	56	108	84	90	116	161	53	107	129	61	107	134	121	94	104	92.3	103.6	96.7
1942	93	63	84	84	96	112	137	52	94	134	67	112	136	122	83	86	93.5	99.2	95.6
1943	98	78	75	92	96	97	122	45	84	139	61	114	137	135	77	81	96.2	98.7	97.0
1944	103	70	84	94	98	96	146	45	95	147	61	119	145	124	84	96	98.4	103.0	100.1
1945	97	76	94	107	104	91	144	57	101	150	74	126	129	130	69	100	99.4	104.0	101.0
1946	102	70	101	101	110	91	144	78	111	139	83	121	128	128	74	122	101.6	106.6	103.5
1947	102	64	96	104	104	97	149	67	108	127	76	111	126	115	94	108	100.0	103.8	101.4
1948	95	63	101	106	100	95	138	69	104	125	72	108	105	114	89	112	96.0	101.7	98.1
1949	95	67	102	105	99	98	135	73	104	118	75	104	109	113	91	115	96.1	101.5	98.1
1950	95	73	111	108	99	104	120	79	100	114	81	104	105	112	101	103	97.6	102.5	99.4
1951	90	77	106	109	99	94	125	78	102	111	84	103	105	115	94	105	95.8	100.8	97.6
1952	95	80	105	109	100	97	120	88	104	108	88	103	95	113	98	105	98.1	102.1	99.5
1953	102	79	103	106	99	98	113	90	102	106	91	102	100	110	97	107	100.0	101.6	100.5
1954	101	84	104	105	100	102	108	91	101	104	90	100	100	108	99	95	100.2	100.9	100.4
1955	106	79	97	104	101	103	102	98	100	104	96	102	101	102	100	96	101.7	100.4	101.1
1956	108	88	98	103	102	101	103	100	102	103	98	102	97	101	101	101	103.6	100.6	102.3
1957	102	94	97	102	101	99	101	103	102	102	98	101	98	99	98	100	100.6	99.6	100.2
1958	97	101	98	99	100	100	98	97	97	99	101	100	97	101	101	98	98.5	99.4	98.9
1959	101	105	105	99	100	101	101	100	101	98	101	99	105	100	101	102	100.9	101.0	101.0
1960 5/	102	102	102	94	99	99	98	104	101	100	102	100	109	99	102	101	99.9	101.6	100.7
1961 5/	101	112	102	91	97	99	95	102	98	99	102	100	110	98	102	102	99.6	101.1	100.3
1962 5/	102	110	102	91	97	99	90	106	98	96	107	99	114	97	103	104	99.9	101.1	100.4
1963 5/	105	112	101	89	98	100	82	97	89	96	107	99	119	97	102	106	101.2	100.8	101.1
1964 5/	109	115	100	88	98	103	88	95	91	93	110	98	122	98	103	103	102.9	101.3	102.2
1965 5/ 6/	105	121	100	86	98	101	89	103	96	95	111	99	123	98	103	100	101.2	102.0	101.6

1/ Civilian consumption, beginning 1941. Individual food items are combined in terms of 1947-49 retail prices through 1954, 1957-59 retail prices thereafter; indexes are linked at 1955. 2/ Excluding melons and baby food. 3/ Excluding soups, baby food, dry beans and peas, potatoes, and sweetpotatoes. 4/ Including melons, dry beans and peas, nuts, soups, and baby food in addition to groups shown separately. 5/ Incorporates data for Alaska and Hawaii. 6/ Preliminary.

NATIONAL FOOD SITUATION

Approved by the Outlook and Situation Board, November 10, 1965

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SUMMARY

Food expenditures are expected to increase again in 1966, in line with a generally expanding economy. But, the rise in expenditures is expected to be less than the 6-percent gain in 1965. This year, expenditures for food are totaling about $85\frac{1}{2}$ billion in addition to $12 billion for alcoholic beverages. The rate of increase in food expenditures this year is not quite as large as the increase in disposable income, so the share of income going for food is declining fractionally from the low 1964 level of $18\frac{1}{2}$ percent. In 1966, the percentage of income spent for food again is expected to decline slightly.

Close to half the 6-percent gain in food expenditures this year is due to higher retail food prices. Another 1 percentage point is due to increased total food consumption; per capita food consumption is down slightly but population is up about 1.3 percent. The rest of the gain can be traced to increased marketing services. There has been a 9-percent spurt in sales by eating and drinking places so far this year compared with a 5-percent increase in food store sales. Food sold in restaurants contains a lot more marketing services per unit of food than does food sold in grocery stores.

Retail food prices are increasing more than 2 percent this year, about twice the advance of last year. So far this year, prices of food bought for home use went up more than prices for food away from home. Increases were most notable for meats, fats and oils, and fresh vegetables, particularly potatoes. Though most prices increased, some declined, including prices for citrus fruit, eggs, sugar, and instant coffee.

In 1966, retail food prices may again increase, but not as much as this year. Meat prices are expected to average higher, based on the expected decline in per capita supplies. But, potato prices likely will drop considerably as a result of this fall's large crop. Prices for fresh vegetables, citrus, and poultry are expected to average below this year, but prices for many canned fruits and vegetables may increase.

Per capita food consumption next year is expected to average about the same as 1965. Consumption of animal products is expected to decline slightly, but a further increase for food from crops is likely. The nutritive value of the national average diet will be about the same in 1966 as in 1965 for most nutrients.

Food consumption is declining about half of 1 percent per capita this year as a result of a decline in consumption of livestock products. Per capita consumption of pork is down about 7 percent, and beef is down about 1 percent. Partly offsetting is a 6-percent increase in per capita consumption of chicken. On the crop side, potato consumption per capita is down about 5 percent on a fresh equivalent basis, but citrus fruit consumption is up 21 percent. The net result of these changes is a national average diet slightly lower in fat and protein, and consequently calories, but with a 5-percent increase in ascorbic acid resulting chiefly from more citrus. (See special article "Nutritional Review," p. 20).

During January-August, the value of food product exports was down 8 percent from a year earlier and the value of food imports declined 9 percent. The decline in imports was due largely to declines for coffee, meat, and sugar. For the calendar year, both exports and imports of total agricultural products are expected to decline slightly, with most of the decline in food products.

Single copies of the Supplement for 1964 to U. S. Food Consumption, Statistical Bulletin No. 364, may be obtained free from the Division of Information, OMS, U. S. Department of Agriculture, Washington, D. C. 20250. This publication contains only the information needed to update and revise tables in the original bulletin.

DEMAND FOR FOOD

A growing population with rising incomes is expected to increase the overall demand for food in 1966. The increase in the quantity consumed likely will about reflect population growth; the gain in the per capita food consumption index has averaged only about a third of 1 percent per year over the last half century. The rate of population expansion has slackened slightly in recent years. A population increase of 1.3 percent is expected between July 1, 1965, and July 1, 1966.

Disposable personal income may rise about as strongly next year as the 6½-percent gain so far in 1965. The unemployment rate declined significantly and industrial production rose sharply. Factories were operated nearer to capacity. A larger workforce with a higher rate of pay increased wages and salaries strongly. Other income gains also resulted from higher dividend and interest payments and increased farm incomes. Income gains provided the basis for a large increase in food expenditures despite the relatively small increase in total food consumption.

FOOD EXPENDITURES

Expenditures for food and alcoholic beverages are totaling about $97½ billion in 1965, up nearly 6 percent from 1964. These expenditures were at a seasonally adjusted rate of $99 billion in the third quarter and nearly $100 billion in the fourth quarter.

About $85½ billion is being spent for food this year and another $12 billion for alcoholic beverages. 1/ This represents more than a $4-billion increase over last year for food expenditures. A further but smaller gain is expected next year. The increase next year is more likely to equal the average 4-percent gain of the past 5 years than the 6-percent increase in 1965.

The strong rise in retail food prices contributed close to half of the food expenditure gain in 1965. Total food consumption accounted for another percentage point. The rest of the gain apparently was due to a shift in forms of food purchased and an increase in marketing sevices purchased with food.

Food expenditures in 1965 are averaging about $439 per capita, up from $420 last year. Including alcoholic beverages, the total is $502 this year. With per capita disposable income up about 5 percent from the $2,269 per capita in 1964, the percentage of income going for food is down fractionally from the 18½ percent in 1964.

Food expenditures are not expected to increase as much as disposable income in 1966, so the percentage of income going for food likely will decline slightly.

1/ ERS estimates based on Department of Commerce revised series on expenditures for food and alcoholic beverages combined.

Food expenditures (not including alcoholic beverages) are estimated at about $1,469 per family this year. 2/ This averages $28.25 per week. But, food expenditures per capita are known to vary widely with family size, income, and other family characteristics. According to the 1960-61 Consumer Expenditure Survey by Bureau of Labor Statistics (USDA cooperating), food expenditures per person were twice as large for a 2-person family as for a family with 6 or more persons. 3/ Relating the survey relationships to 1965 expenditures, the following food costs are estimated:

	Per capita	Per Family	
		Total	Per week
Single consumers	$675	$675	$12.98
2-person family	570	1,140	21.92
3-person family	486	1,458	28.04
4-person family	427	1,708	32.85
5-person family	378	1,890	36.35
6 or more	285	1,995	38.37
Average, including singles	439	1,405	27.02
Average family, 2 or more persons	397	1,469	28.25

Expenditures for U. S. Farm Foods

Expenditures for foods originating on U. S. farms are totaling around $73 billion this year, up from $70 billion in 1964. This compares with total food expenditures of $85½ billion in 1965, up from $81 billion in 1964. 4/ One advantage of the U. S. farm food concept of food expenditures is that a distinction can be made between the farm value of final food products and the marketing bill (cost of getting food from the farmer to the consumer). This year the farm

2/ The average size of family (2 or more persons) was 3.7 persons as of March 1965, according to the Bureau of the Census, but adding in unrelated individuals reduces the average to 3.2 persons. Food expenditures include the value of home-produced food, food purchased and consumed away from home, food purchased by institutions, and military purchases.

3/ National Food Situation, NFS-113 (August 1965), table 11, page 25.

4/ Civilian expenditures for food originating on U. S. farms omits imported foods such as bananas and coffee, fish and other seafoods, food consumed on farms where produced, and food furnished the Armed Forces. However, this USDA expenditure series implicitly includes the following food purchased not included in Department of Commerce's estimate of personal consumption expenditures for food reported above: Meals charged as a business expense, meals served patients in hospitals and persons living in institutions, food distributed free by Government agencies, and meals served by airlines, camps, and other agencies that do not make separate charges for food.

value is increasing by $2 billion, an unusually large jump of nearly a tenth, to about $24½ billion. The marketing bill, which usually increases about in line with increases in disposable income, is rising about $1 billion this year to a total of about $48 billion.

These changes from the typical pattern were brought about because of sharp increases in farm prices, which in turn were caused by the small cutback in per capita livestock supplies. Prices received by farmers are up about 4 percent this year. The nature of demand for most foods is such that a small cut in supplies normally brings an increase in total dollars to farmers (as a group). Moreover, in a period of rising prices, marketing margins typically are narrowed. As a result, the farmer's share of the consumer's dollar as measured by market basket data increased this year to 39 cents from 37 cents in 1964, the largest increase since 1951.

Retail Sales

Sales by retail food stores in the first 3 quarters of 1965 increased 5 percent from the same period of 1964. On a seasonally adjusted basis, sales have run consistently above 1964 and show no sign of slowing in the fourth quarter. Sales by eating and drinking places in the first 3 quarters increased 9 percent above a year earlier; in recent months, sales have been even stronger. Retail sales gains so far this year have been slightly stronger than in 1964, particularly by eating and drinking places.

The large increases in sales by away-from-home eating places help to explain the sizable increases in total food expenditures this year. For example, the Department of Commerce reported that total purchases of meals and beverages (including alcoholic beverages) increased 7 percent between 1963 and 1964, but purchases of food and beverages for off-premise consumption increased only 4 percent; total food expenditures increased 5 percent.

In 1964, sales by retail food stores totaled $62 billion and sales by eating and drinking places totaled $19 billion. According to a recent Bureau of Census report breaking down sales by merchandise lines, about 85 percent of total sales by food stores were for food; about 71 percent of total sales by eating and drinking places consisted of meals, snacks, and other food. (See special article "Food and Beverage Sales by the Retail Trade," p. 30.)

SUPPLY AND CONSUMPTION OF FOOD

Civilian per capita food consumption in 1966 is expected to equal the slightly reduced level of 1965; this year, consumption is down about half of 1 percent per capita (table 2) 1/. Food from animal products is down about 1½ percent per capita this year, while consumption of crop products is up. A further small decline for animal products and increase for crop products is

1/ This is a quantity index weighted by constant retail prices in a base period, the latest of which is for 1957-59.

Table 3.--Supply-utilization of farm commodities: Relationship of components to total annual net utilization and comparison with 1957-59, 1950-65 1/

Year	Net production	Net imports 2/	Stocks 3/	Total annual net utilization	Domestic use: Food: Civilian	Domestic use: Food: Military 4/	Domestic use: Net nonfood 5/	Domestic use: Total	Exports and shipments 6/
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
	A.--Percentage of total annual net utilization 7/								
1950	87.3	12.4	0.3	100.0	75.2	1.7	14.2	91.1	8.9
1951	85.4	11.6	3.0	100.0	72.7	3.4	13.3	89.4	10.6
1952	91.6	11.6	-3.2	100.0	75.8	2.5	12.5	90.8	9.2
1953	92.9	12.0	-4.9	100.0	77.0	2.3	12.7	92.0	8.0
1954	93.5	10.6	-4.1	100.0	77.5	2.0	11.6	91.1	8.9
1955	93.0	11.0	-4.0	100.0	77.1	1.7	11.9	90.7	9.3
1956	90.1	10.8	-.9	100.0	75.3	1.6	11.5	88.4	11.6
1957	88.4	10.7	.9	100.0	75.0	1.4	10.7	87.1	12.9
1958	93.2	11.4	-4.6	100.0	76.6	1.5	10.8	88.9	11.1
1959	89.4	12.7	-2.1	100.0	76.1	1.4	11.3	88.8	11.2
1960	90.5	11.6	-2.1	100.0	74.4	1.2	10.6	86.2	13.8
1961	87.8	12.1	.1	100.0	74.5	1.4	10.5	86.4	13.6
1962	88.7	12.3	-1.0	100.0	74.7	1.4	10.7	86.8	13.2
1963	89.6	11.9	-1.5	100.0	74.3	1.3	10.2	85.8	14.2
1964	86.8	10.5	2.7	100.0	73.3	1.4	9.6	84.3	15.7
1965 8/	90.6	11.1	-1.7	100.0	73.8	1.4	10.5	85.7	14.3
	B.--Index, 1957-59=100 9/								
1950	84.4	93.0	77.8	87.3	86.4	108.1	113.2	90.1	66.0
1951	84.9	89.8	77.1	89.8	85.9	214.4	109.5	90.9	81.3
1952	90.3	89.2	72.5	89.0	88.9	160.2	102.0	91.6	69.3
1953	92.6	92.8	77.8	90.0	91.3	149.2	104.2	93.8	61.3
1954	94.0	82.7	85.0	90.7	92.7	125.2	96.1	93.6	69.0
1955	97.6	89.5	91.2	94.7	96.3	111.0	102.7	97.3	75.2
1956	99.9	93.1	97.2	100.1	99.3	112.4	105.3	100.3	98.5
1957	97.9	92.7	98.6	100.1	98.9	101.6	97.9	98.8	110.0
1958	101.1	95.7	97.1	97.9	98.8	99.9	96.7	98.5	92.8
1959	101.0	111.6	104.3	102.0	102.3	98.5	105.4	102.7	97.2
1960	105.9	106.3	107.6	105.7	103.5	94.2	102.8	103.3	123.9
1961	104.6	112.6	111.3	107.5	105.6	104.0	103.0	105.3	124.6
1962	107.0	115.3	110.9	108.9	107.2	108.3	106.9	107.2	121.9
1963	111.6	115.8	112.6	112.5	110.1	107.2	104.7	109.4	135.8
1964	111.9	104.7	115.3	116.3	112.4	117.8	102.2	111.2	155.0
1965 8/	115.6	110.2	110.2	115.2	112.0	117.8	110.5	111.9	

1/ Quantities of domestically produced items weighted by 1957-59 average farm prices beginning 1955 and by 1947-49 prices in earlier years; nondomestic items valued at import prices. Use of commodities allocated on basis of value of processed products. See Measuring the Supply and Utilization of Farm Commodities, Agriculture Handbook No. 91, 1955, for basic methodology. Net concept excludes domestic use of feed and seed to avoid double counting. Includes Alaska and Hawaii beginning 1962.

2/ Includes inshipments from Alaska and Hawaii prior to 1962 and from all Territories for all years.

3/ Includes farm and commercial stocks and holdings under Government programs. In section A data represent stock changes; negatives indicate increases in stocks from beginning to end of year. For the index, stock coverage (which varies throughout the period) is adjusted to a level comparable to that on January 1, 1961 by relating the stock change over time to the 1961 value aggregate.

4/ Includes civilian feeding.

5/ Excludes feed and seed; includes some waste and loss at the farm.

6/ Includes shipments to Alaska and Hawaii prior to 1962 and shipments to U. S. Territories for all years.

7/ Data beginning 1924 are published in the National Food Situation, NFS-111, February 1965.

8/ Preliminary.

9/ Data beginning 1924 are published in the National Food Situation, NFS-112, May 1965.

expected in 1966. The change in per capita food consumption indicated for this year is quite small in total, but the change appears to have affected retail food prices. This year's decline in consumption compares with an increase of 1 percent in 1964.

Despite the decline in per capita consumption, total production of all farm commodities is up more than population this year, (table 3, p. 8). Crop production is up 7 percent from reduced 1964 crops, based on October 1 crop conditions, but livestock production is declining slightly. Exports of farm commodities also are declining slightly this calendar year, but nonfood uses of farm commodities (other than feed and seed), military food use, and end-of-year stocks are increasing.

Last year, total production was about steady with a year earlier and stocks declined significantly (fig. 1). Though production is increasing total food marketings in 1965 are about equaling last year's level partly because of the reduced carryovers from 1964 (table 3).

Food supplies likely will increase again in 1966. Total civilian food consumption likely will increase by about the amount of the increase in population. An increase in exports and a step-up in military food procurement also is expected. But increased military needs probably will not affect civilian food supplies appreciably. This year, military food procurement is amounting to about 1.4 percent of total use of all farm commodities (table 3).

Industrial production of processed foods, as measured by the Federal Reserve Board, has continued to increase this year. But the increase in the first 8 months was only 1.9 percent above the same months of 1964 (fig. 2). This increase compares with a gain of 2.8 percent during all of 1964 and 2.6 percent during 1963. These increases are somewhat greater than the rise in total civilian consumption of food, reflecting the trend toward increased consumption of processed rather than fresh foods. Figure 2 also shows the seasonal character of food processing.

Livestock Product Consumption Down

The decline in per capita consumption of livestock products this year is due mainly to the 5-pound drop expected for pork (table 4). Declines are also being registered in per capita consumption of beef, lamb and mutton, eggs, dairy products, and animal fats. In contrast, poultry meat consumption is up about 2 pounds this year.

A further but smaller decline is expected in per capita consumption of livestock products next year. Further decreases are in store for most of the livestock products that declined this year. Pork consumption is expected to drop again, but possibly only half the reduction this year.

Sizable declines in total production are occurring this year for pork, lamb and mutton, lard, butter, and condensed and evaporated milk (table 18, p. 50). However, production of beef, total milk, and eggs are each within 1 percent of a year earlier and poultry production is up substantially.

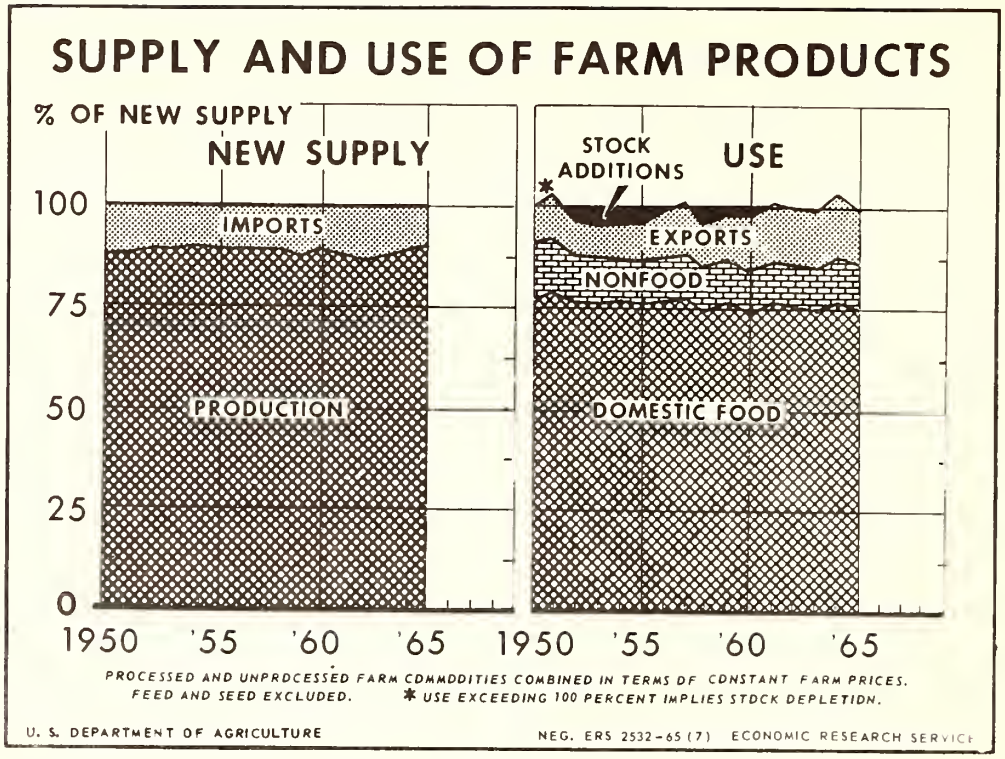
SUPPLY AND USE OF FARM PRODUCTS
% OF NEW SUPPLY
NEW SUPPLY
IMPORTS
PRODUCTION
100
75
50
25
0
1950
'55
'60
'65
STOCK ADDITIONS
USE
EXPORTS
NONFOOD
DOMESTIC FOOD
PROCESSED AND UNPROCESSED FARM COMMODITIES COMBINED IN TERMS OF CONSTANT FARM PRICES.
FEED AND SEED EXCLUDED.
* USE EXCEEDING 100 PERCENT IMPLIES STOCK DEPLETION.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 2532-65 (7) ECONOMIC RESEARCH SERVICE

Fig. 1

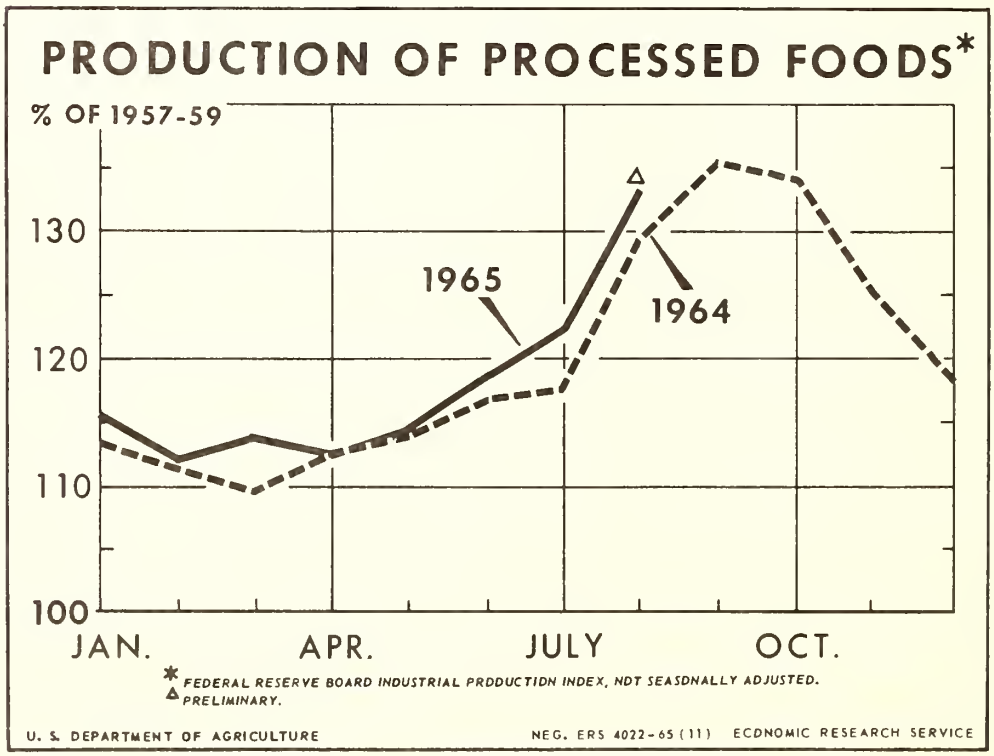
PRODUCTION OF PROCESSED FOODS*
% OF 1957-59
130
120
110
100
1965
1964
JAN.
APR.
JULY
OCT.
* FEDERAL RESERVE BOARD INDUSTRIAL PRODUCTION INDEX, NOT SEASONALLY ADJUSTED.
Δ PRELIMINARY.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 4022-65 (11) ECONOMIC RESEARCH SERVICE

Fig. 2

Table 4.--Civilian per capita consumption of major food commodities, primary distribution weight, and civilian population, selected periods 1947-65 1/

Commodity	Average 1947-49	Average 1957-59	1962	1963	1964	1965 Preliminary	1965 as a percentage of 1947-49	1965 as a percentage of 1957-59	1965 as a percentage of 1964
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent
Meats (carcass weight) - Total	148.5	156.6	163.1	169.3	174.8	168.5	113	108	96
Beef	65.6	82.1	88.8	94.2	100.4	99.3	151	121	99
Veal	9.7	7.1	5.5	4.9	5.2	5.2	54	73	100
Lamb and mutton	4.8	4.4	5.2	4.9	4.2	3.8	79	86	90
Pork (excluding lard)	68.4	63.0	63.6	65.3	65.0	60.2	88	96	93
Fish (edible weight) - Total	10.7	10.5	10.6	10.6	10.6	10.5	98	100	99
Fresh and frozen	5.9	5.7	5.8	5.7	5.9	2/	---	---	---
Canned 3/	4.2	4.2	4.3	4.4	4.2	2/	---	---	---
Cured	.6	.6	.5	.5	.5	2/	---	---	---
Poultry products									
Eggs (farm basis) - Number	385	356	324	316	314	307	80	86	98
Chicken (ready-to-cook)	18.7	27.5	30.0	30.8	31.2	33.1	177	120	106
Turkey (ready-to-cook)	3.3	6.0	7.0	6.7	7.2	7.4	224	123	103
Dairy products									
Total milk fat solids	29.5	25.6	23.8	23.3	23.2	22.9	78	89	99
Total nonfat milk solids	42.9	43.8	42.4	41.6	41.6	41.2	96	94	99
Cheese	7.0	7.9	9.2	9.2	9.5	9.5	136	120	100
Condensed and evaporated milk	20.1	14.8	12.5	11.6	11.3	10.9	54	74	96
Fluid milk and cream	359	335	308	307	305	302	84	90	99
Ice cream (product weight)	18.7	18.4	17.9	18.0	18.2	18.3	98	99	101
Fats and oils - Total, fat content 4/	42.4	45.3	45.7	46.1	47.3	46.5	110	103	98
Butter (actual weight)	10.6	8.2	7.3	6.9	6.8	6.6	62	80	97
Margarine (actual weight)	5.6	8.9	9.3	9.6	9.7	9.8	175	110	101
Lard	12.4	9.3	7.2	6.4	6.4	6.1	49	66	95
Shortening	9.6	11.4	13.4	13.4	13.6	13.5	141	118	99
Other edible fats and oils	7.3	10.8	11.7	13.1	14.1	13.7	188	127	97
Fruits									
Fresh (farm weight) - Total	132.8	95.7	84.8	76.1	81.8	84.2	63	88	103
Citrus	54.9	33.5	28.9	22.1	26.1	29.2	53	87	112
Apples (commercial)	25.5	21.6	19.4	18.4	20.1	19.6	77	91	98
Other (excluding melons)	52.5	40.6	36.6	35.6	35.6	35.4	67	87	99
Processed:									
Canned fruit	18.9	22.5	22.9	23.1	23.3	23.7	125	105	102
Canned juice	15.9	13.8	13.8	14.4	13.1	13.0	82	94	99
Frozen (including juices)	3.2	8.6	9.7	8.8	7.4	9.0	281	105	122
Dried	3.9	3.3	3.0	3.0	3.0	3.1	79	94	103
Vegetables									
Fresh 5/	120.5	104.3	102.8	102.9	98.7	101.0	84	97	102
Canned, excluding potatoes and sweetpotatoes	38.5	43.0	44.4	45.1	45.1	45.2	117	105	100
Frozen, excluding potatoes	2.8	6.6	7.7	7.4	8.0	8.4	300	127	105
Potatoes and sweetpotatoes									
Potatoes, fresh equivalent 6/	113.8	106.8	108.1	112.1	110.0	104.4	92	98	95
Frozen potatoes, product weight	7/	1.6	3.9	4.5	5.8	6.6	---	412	114
Sweetpotatoes, fresh equivalent 6/	13.0	8.3	7.7	7.4	6.8	7.0	54	84	103
Dry edible beans	6.7	7.7	7.8	7.7	7.4	6.7	100	87	91
Melons	27.4	25.1	23.2	24.7	23.3	23.2	85	92	100
Sugar (refined)	95.2	96.1	97.2	96.1	95.8	96.0	101	100	100
Grains									
Corn products: Cornmeal and other 8/	19.0	14.3	13.6	13.5	13.4	13.3	70	93	99
Corn sirup and sugar	14.1	13.0	15.4	16.8	18.1	18.1	128	139	100
Oat food products	3.3	3.5	3.5	3.5	3.5	3.5	106	100	100
Barley food products 9/	1.6	1.0	1.0	1.0	1.0	1.0	62	100	100
Wheat: Flour 10/	137	120	115	116	116	116	85	97	100
Breakfast cereals	3.2	2.8	2.6	2.6	2.6	2.6	81	93	100
Rye flour	1.4	1.2	1.1	1.1	1.1	1.1	79	92	100
Rice, milled	4.9	5.4	7.4	6.6	6.8	7.6	155	141	112
Other									
Coffee (green beans)	18.2	15.7	15.9	15.7	15.3	15.0	82	96	98
Tea	.58	.60	.66	.67	.69	.70	121	117	101
Cocoa beans	4.0	3.5	3.8	3.9	3.9	4.1	102	117	105
Peanuts (shelled)	4.4	4.6	4.9	5.0	5.1	5.2	118	113	102
	Million	Million	Million	Million	Million	Million			
Civilian population 11/	145.1	171.5	183.8	186.7	189.4	191.9	132	112	101

1/ Quantity in pounds except for eggs which are stated in number. Data on calendar year basis except for dried fruits, which are on pack year basis; fresh citrus fruits and peanuts on a crop year basis, and rice on August 1 year. All years begin in the year indicated except for fresh citrus, which begins in October of the previous year, and rice, which begins in August of previous year. 2/ Not available. 3/ Excludes canned food products containing small quantities of fish, such as clam chowder. 4/ Computed from unrounded data. 5/ Covers total commercial production for sale as fresh, both for shipment to distant markets and for local markets. Excludes farm garden output for farm household use. 6/ Includes quantities canned and frozen. 7/ Less than 0.05 pound. 8/ Includes cornstarch, breakfast cereals, and hominy. 9/ Barley used for food products in terms of malt equivalent. 10/ Includes white, whole wheat, and semolina flour. 11/ Census estimates of July 1 civilian population (50 States beginning 1962). Used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

Despite this year's 4-percent decline in per capita consumption of meat, it remains above most recent years (cover chart). Beef and veal consumption per capita remains near its alltime high, but pork consumption is about as low as it has been in postwar years, and below the level of 50 years ago (fig. 3). Long-term trends show that poultry meat consumption has been outstanding among the meats. This year's increase is a continuation of the uptrend that began about 1940. The rate of beef and veal consumption also increased during that period, but not nearly as fast as poultry.

More Use of Food From Crops

Placed by an increase in per capita consumption of citrus, food use of crop products is increasing again this year. Fresh citrus consumption is rising about 3 pounds in 1965, to about the 1962, prefreeze level (table 4). Consumption of frozen orange juice concentrate this year is jumping by more than a third. Favorable crop conditions suggest that per capita consumption of citrus products probably will rise again in 1966, but not as much as this year. September 30 stocks of frozen orange concentrate were half again as large as a year earlier.

The increases for citrus are more than offsetting some declines in consumption of other fruits this year. Per capita consumption of fresh apples and pears is down this year, though fresh peach use is up. Canned fruit consumption is up slightly this year, particularly for pears. However, sharply reduced harvests of fruit for processing are resulting in much lower packs of peaches, pears, fruit cocktail, and cherries this fall. Large carryover stocks are expected to cushion the decline in consumption.

Potato consumption dropped off sharply early this year because of the large drop in production in the fall of 1964 and consequent high prices. But, the decline is being tempered by the current large crop. The overall decline this year is averaging 5 or 6 pounds per capita. Fresh potato use is declining even more--something like 8 pounds per capita--but processed potato consumption is increasing. Since potato chips, dehydrated potatoes, and frozen potatoes normally sell for much higher prices per pound than fresh potatoes, the per capita food consumption index shows a slight rise this year for potatoes and sweetpotatoes combined (table 2). The index shows the change in value of consumption in terms of constant prices.2/ Increased use of processed potatoes is responsible for much of the upturn in potato consumption since the mid-1950's, shown in the chart giving long-term trends (fig. 3).

Potato consumption is expected to rebound in 1966 because of the large fall crop now being harvested. Production this fall is expected to jump about a fourth over last year's short crop. This should allow consumption in 1966 to regain previous levels.

2/ See footnote 1.

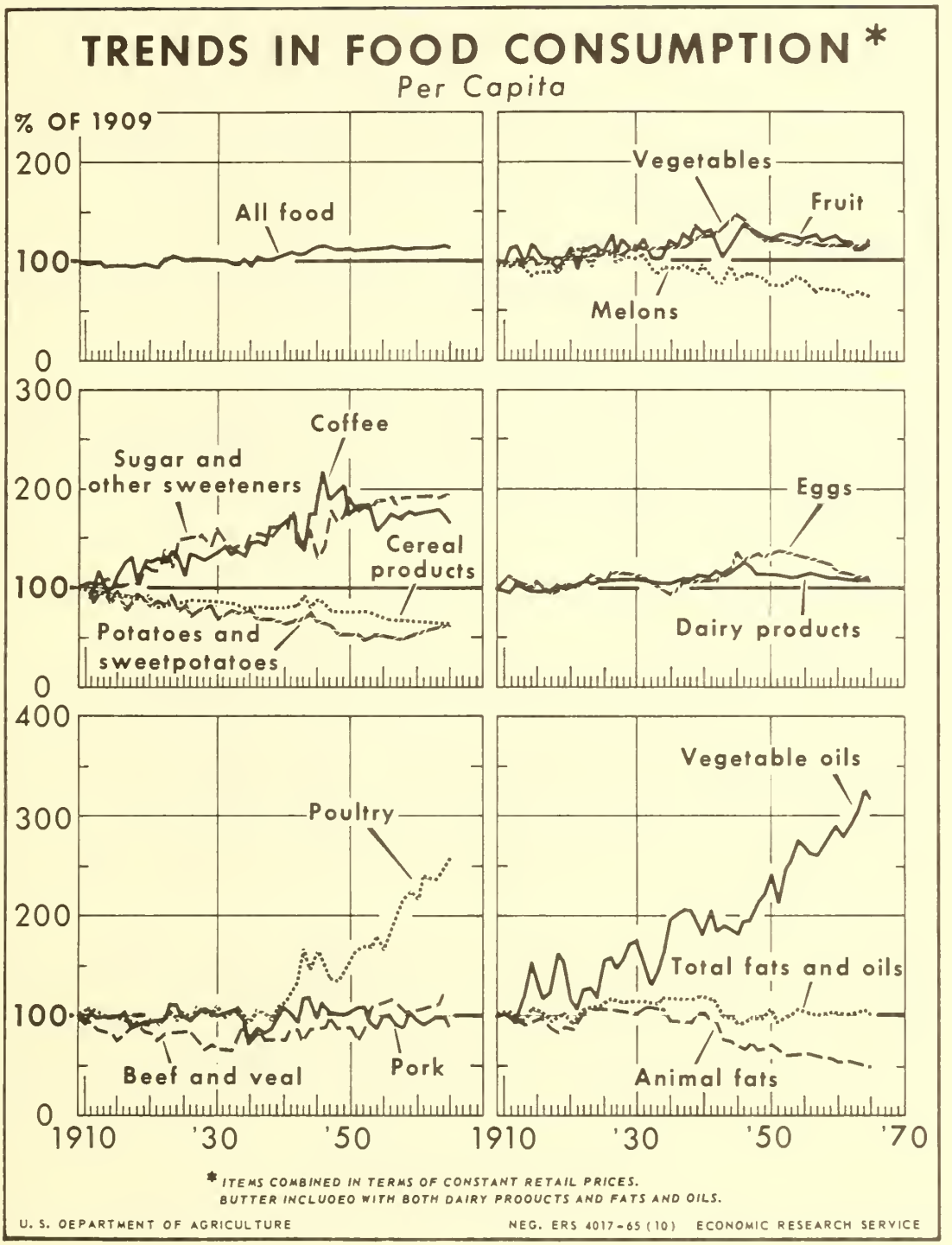
TRENDS IN FOOD CONSUMPTION *
Per Capita
% OF 1909
200
100
0
All food
Vegetables
Fruit
Melons
300
200
100
0
Coffee
Sugar and other sweeteners
Cereal products
Potatoes and sweetpotatoes
Eggs
Dairy products
400
300
200
100
0
Poultry
Beef and veal
Pork
Vegetable oils
Total fats and oils
Animal fats
1910
'30
'50
1910
'30
'50
'70
* ITEMS COMBINED IN TERMS OF CONSTANT RETAIL PRICES.
BUTTER INCLUDED WITH BOTH DAIRY PRODUCTS AND FATS AND OILS.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 4017-65 (10) ECONOMIC RESEARCH SERVICE

Fig. 3

Per capita consumption of vegetables, other than potatoes, is rising slightly this year. Both fresh and frozen vegetables are showing an increase, but canned products are about steady with last year. Fresh vegetables showing increases include onions, sweet corn, tomatoes, and carrots.

For fruits, vegetables, and potatoes combined, per capita consumption has increased this year (cover chart). But, the group continued below the level in 1950. Looking at longer term trends, fruit and vegetable consumption per capita has remained fairly stable over the last half century.

Per capita consumption of vegetable oils is down this year, contrary to long-term trends. Sharply increased prices for soybean oil early in the year were partly responsible. Consumption of dry edible beans is down sharply this year. Also, coffee consumption is slipping, but use of cocoa products is up slightly.

Cereal product consumption per capita is holding about steady this year, despite a sizable increase in production of many of these products. Rice is an exception; consumption may rise to a level only exceeded during World War I. The long-term decline in per capita consumption of total cereal products apparently has flattened in recent years.

Consumption of Donated Foods

USDA domestic donations of commodities to schools, institutions, and needy persons increased 5 percent between 1963 and 1964 (table 5). These donations totaled 2.1 billion pounds last year, up from 1.1 billion in 1960. They came from stocks acquired by USDA's price-support and surplus removal activities and donations under the School Lunch Program. They do not include foods purchased under the expanding Food Stamp Program, local purchases for school lunches that account for about three-fourths of total school lunch food, nor the Special Milk Program. In the first half of 1965, the amount of donated foods again increased from the same period of 1964. In addition, the Food Stamp Program was accelerated.

The gain in total food consumption attributable to the donations program was substantial between 1960 and 1964. In terms of constant values, the donations program accounted for about half of 1 percent of total food consumed between 1955 and 1960, about 1 percent during 1961-63, and about 1½ percent during 1964. Per capita food consumption increased only 1.5 percent between 1960 and 1964, valued in constant prices. As a result, much of the gain in the past 4 years in per capita food consumption can be attributed to the donations program.

RETAIL FOOD PRICES

Higher Prices This Year

Retail food prices in the first 3 quarters of 1965 averaged 2 percent above the same period of 1964. The increase was slightly greater for food bought for use at home than for food purchased and consumed away from home--a switch from the usual situation. Also, the food price increase exceeded

Table 5.--USDA domestic donations of commodities, to schools, institutions, and needy persons 1/

Item	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat										
Beef	17.8	21.0	45.9	0.1	4.9	56.8	62.9	41.0	26.8	106.9
Pork	---	148.3	6.5	---	35.7	29.8	68.8	31.1	28.1	20.4
Lamb	---	---	---	---	.2	.2	12.1	.1	---	---
Mixtures	---	---	---	---	---	---	63.3	143.0	122.8	63.0
Total	17.8	169.3	52.4	.1	40.8	86.8	207.1	215.2	177.7	280.3
Poultry										
Turkey	---	18.8	4.9	19.6	22.6	20.2	50.1	42.7	47.6	56.4
Poultry, other	---	---	---	---	---	3.6	33.3	41.9	55.9	53.9
Total	---	18.8	4.9	19.6	22.6	23.8	83.4	84.6	103.5	110.3
Eggs 2/	---	8.2	31.2	.7	18.7	22.3	24.0	10.3	8.8	16.7
Dairy products										
Butter	110.2	113.1	63.5	128.2	113.7	82.9	147.6	160.7	169.0	179.9
Cheese	87.6	104.4	95.0	133.7	40.8	27.4	23.3	143.6	129.6	133.4
Nonfat dry milk	83.5	91.0	97.3	134.7	133.2	107.5	170.6	179.0	165.1	153.0
Total	281.3	308.5	255.8	396.6	287.7	217.8	341.5	483.3	463.7	466.3
Fats and oils										
Lard and shortening	70.4	52.7	11.3	---	4.2	48.7	108.5	97.3	96.1	91.5
Fruits										
Fresh	6.4	2.0	---	---	---	---	8.6	16.2	26.9	26.1
Canned	30.7	44.0	56.0	55.7	74.3	76.7	101.7	87.6	66.0	103.1
Dried	3.7	.3	---	---	---	1.5	.1	10.5	---	1.4
Total	40.8	46.3	56.0	55.7	74.3	78.2	110.4	114.3	92.9	130.6
Vegetables										
Fresh	---	6.7	---	3.5	.6	---	2.2	---	---	---
Canned	69.5	38.5	43.9	61.1	69.8	40.4	54.5	74.9	86.1	89.2
Dried beans and peas	72.5	77.8	47.5	5.4	2.1	15.4	109.6	141.0	114.4	106.0
Total	142.0	123.0	91.4	70.0	72.5	55.8	166.3	215.9	200.5	195.2
Potatoes and sweet-potatoes	1.2	19.7	---	---	---	3.5	8.2	38.1	25.6	---
Cereal products										
Bulgar	---	---	---	---	---	---	---	---	2.2	4.4
Corn (whole kernel)	---	6.4	.1	---	---	---	---	---	---	---
Cornmeal	12.1	75.9	107.7	148.4	146.5	124.1	183.9	179.5	155.3	158.3
Oats (rolled)	---	---	---	---	---	---	43.5	1.5	---	---
Rice	33.4	63.6	68.5	99.0	100.4	95.7	123.6	122.9	125.1	104.2
Wheat (whole kernel)	---	20.7	.1	---	---	---	---	---	---	---
Wheat flour	19.6	137.1	238.7	345.7	376.6	339.7	489.7	505.7	466.6	482.6
Wheat (rolled)	---	---	---	---	---	---	---	80.2	65.4	57.6
Total	65.1	303.7	415.1	593.1	623.5	559.5	840.7	889.8	814.6	807.1
Other 3/	5.0	4.2	6.4	6.2	5.7	7.9	39.4	41.0	37.5	44.6
Total all commodities	623.6	1,054.4	924.5	1,142.0	1,150.0	1,104.3	1,929.5	2,189.8	2,020.9	2,142.6

1/ Includes commodities distributed under the National School Lunch Program; excludes distribution to U. S. Territories. Data are in terms of product weight so for some items are not comparable over time.

2/ Shell eggs and dried.

3/ Includes olive oil, peanut butter, and minor amounts of other items.

the 1.5 percent gain in the entire Consumer Price Index, another departure from normal.

The largest food price increases have been for meat, fats and oils, and fresh vegetables (table 19, p. 51). Pork and potatoes accounted for much of the increase, but small price increases also were posted for many other foods. There were lower prices for eggs, citrus fruit, sugar, and processed fruits and vegetables.

Though average food prices declined in August and September, prices in the third quarter averaged 3 percent above third quarter 1964. Meat prices remained at a record-high level in September (the latest month available), 10 percent above a year earlier; pork prices were up 20 percent (fig. 4). However, potato and other fresh vegetable prices were sharply below midyear highs. By September, potato prices averaged 15 percent below a year earlier. As harvest of the late summer and fall potato crops increased, the average price of 10 pounds of potatoes declined from $1.35 in July to 66 cents in September, 15 percent below a year earlier. Since citrus prices also were below a year earlier, the average of all fresh fruits and vegetables, including potatoes, dropped below a year earlier in August and September. Prices for fats and oils, other than butter, weakened since midyear but averaged 9 percent above a year earlier in the third quarter. Prices for both animal fats and vegetable oils were higher.

Retail food prices increased this year following increases in prices for wholesale food and for farm products (fig. 5). The increases at retail were smaller than the increases at wholesale and farm levels, narrowing marketing margins. The increase in farm prices resulted mostly from the small reduction in food marketings per capita. Supplies reaching the consumer were down on the average only half of 1 percent per capita, but a small reduction in supplies normally results in a comparatively large increase in price.

Outlook for Prices

Retail food prices likely are remaining relatively stable during the final months of 1965. Farm product prices stabilized during the third quarter, though wholesale prices of processed foods continued to edge upward on a seasonally adjusted basis (fig. 5). Retail potato prices are continuing well below a year earlier. Most citrus prices likely are declining seasonally and dropping below a year earlier. These declines probably are being offset by rising prices for many other canned fruits and vegetables. Price advances apparently are taking place for many canned items; among them are peaches, pears, fruit cocktail, and pork and beans. Reduced supplies and increased prices of processed tomato products are expected to affect prices for many processed products in coming months. Preliminary data suggest that some declines are occurring in meat prices, though average prices are expected to remain near current levels into early months of 1966.

Retail food prices are expected to increase again in 1966. The average increase is not expected to be as large as that experienced this year, partly

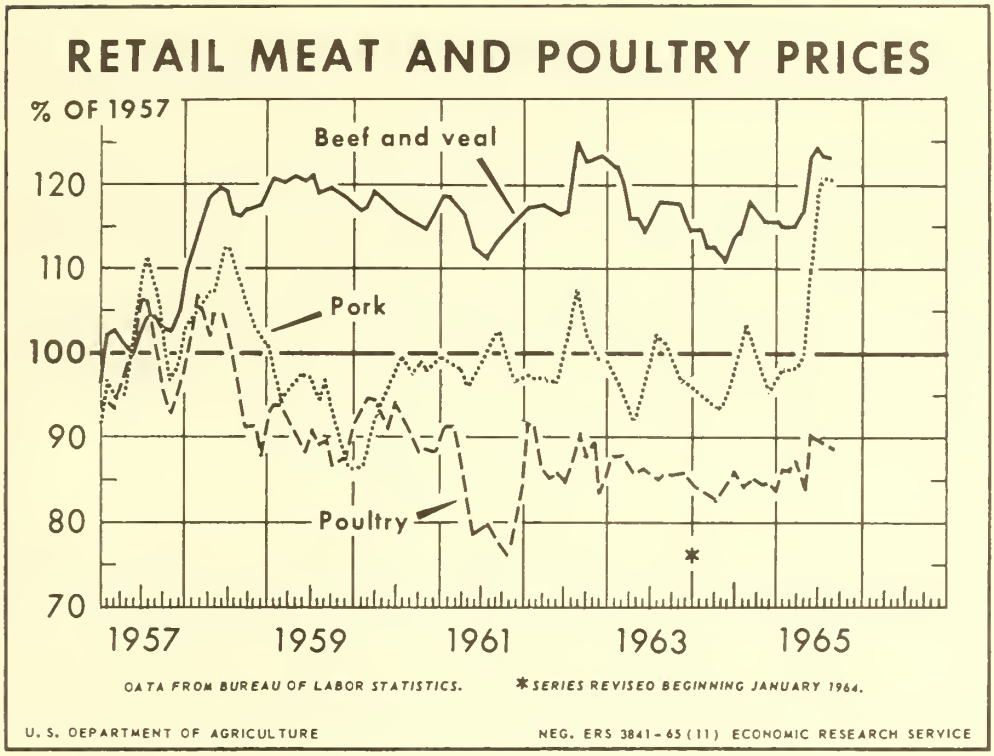
RETAIL MEAT AND POULTRY PRICES
% OF 1957
Beef and veal
Pork
Poultry
120
110
100
90
80
70
1957
1959
1961
1963
1965
*
DATA FROM BUREAU OF LABOR STATISTICS.
*SERIES REVISED BEGINNING JANUARY 1964.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 3841-65 (11) ECONOMIC RESEARCH SERVICE

Fig. 4

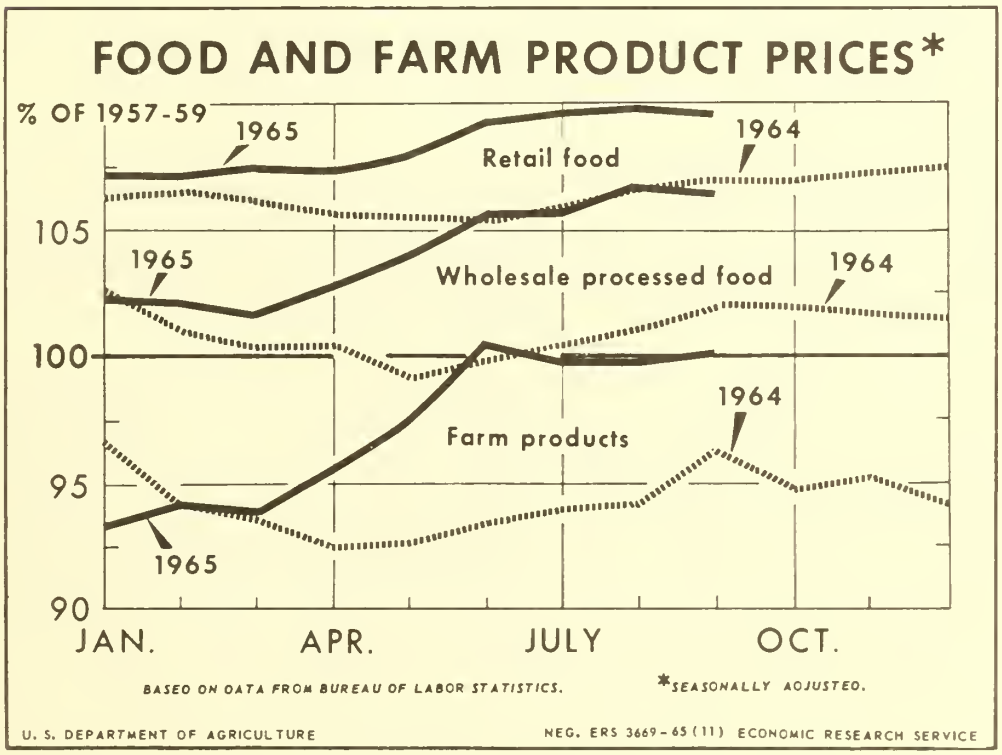
FOOD AND FARM PRODUCT PRICES*
% OF 1957-59
1965
Retail food
1964
105
1965
Wholesale processed food
1964
100
1964
Farm products
95
1965
90
JAN.
APR.
JULY
OCT.
BASED ON DATA FROM BUREAU OF LABOR STATISTICS.
*SEASONALLY ADJUSTED.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 3669-65 (11) ECONOMIC RESEARCH SERVICE

Fig. 5

because no further decline in average per capita food supplies is anticipated. However, returns to marketing agencies that have declined slightly this year, may be recouped in the year ahead.

Poultry meat prices may decline slightly in 1966, but retail meat prices likely will advance further next year if per capita supplies decline as anticipated. Price increases are likely for many canned fruits and vegetables in 1966. But, citrus prices likely will decline again, and fresh vegetable prices are not expected to average as high as this year, assuming weather conditions are near normal. Potato prices will average well below 1965 levels, at least through midyear. Prices of food purchased and consumed away from home probably will increase faster than prices of food at home, as has been the case in most recent years.

FOREIGN TRADE

U. S. agricultural exports totaled $6.3 billion in 1964. Exports were large in November and December 1964 in anticipation of a dock workers' strike, and declined to less than half the normal flow in January-February 1965 as a rusult of the strike. Since then agricultural exports have resumed their growth. During the 12 months ended September 30, 1965, they were $6.2 billion, the same as one year earlier. However, the value of exports of agricultural products in January-August 1965 was down 3 percent from a year earlier (table 6).

Exports of food products in January-August 1965 were down 8 percent, but exports of nonfood products were up 4 percent. Declines in exports of food grains and cereal products, principally wheat, accounted for most of the decline for food. Increased exports of oils and oilseeds tended to offset the decline in exports of other food products.

The value of imports of agricultural product in 1965 is expected to decline slightly from the 1964 total of $4.1 billion. As a result, agricultural exports are expected to exceed imports by over $2 billion this year, about the same as in 1964. Net exports in the first 8 months were up slightly from a year earlier. Looking ahead to 1966, exports are expected to increase, particularly for crop products, whereas imports likely will remain about unchanged.

The value of imports of agricultural products was 6 percent below a year earlier during the first 8 months of 1965. Imports of food products were down considerably but nonfood agricultural imports were up. Import values of the 3 major imports, coffee, meat, and sugar, each have declined this year, partly due to lower prices. Another factor, particularly for coffee, was a buildup in stocks by the end of 1964 in anticipation of the shipping problems in early 1965. Coffee stocks currently are well below both January 1 and this time last year. The large increase indicated in value of banana imports was due to a change in method of valuation. Though the value of cocoa product and sugar imports has declined this year, the volume has increased.

The decline in value of imports of agricultural products so far this year has centered in complementary products--those not considered close substitutes of U. S.-grown products. Imports of supplementary products--partly competitive--were about equal to a year earlier.

Table 6.--Value of exports and imports for consumption, January-August 1964, 1965 1/

Item	Exports			Imports			Net exports	
	1964	1965	Change	1964	1965	Change	1964	1965
	Mil. dol.	Mil. dol.	Pct.	Mil. dol.	Mil. dol.	Pct.	Mil. dol.	Mil. dol.
Food:								
Animal products:								
Dairy products	143	138	-4	36	43	+19	107	95
Meat and meat products	84	68	-9	299	276	-9	-215	-208
Poultry meat	37	31	-16	---	---	---	37	31
Eggs	3	2	-33	1	1	0	2	1
Other 2/	80	46	-42	4	3	-25	76	43
Total	347	285	-18	340	323	-5	7	-38
Crop products:								
Bananas	---	---	---	74	103	+39	-74	-103
Other fruits	167	188	+13	87	87	0	80	101
Vegetables and preparations	101	101	0	74	86	+16	27	15
Oils	144	208	+44	50	49	-2	94	159
Oilseeds	312	364	+17	16	21	+31	296	343
Food grains and cereal products	1,223	972	-21	15	14	-7	1,208	958
Coffee	23	20	-13	765	611	-20	-742	-591
Cocoa	---	---	---	104	93	-11	-104	-93
Tea	---	---	---	39	35	-10	-39	-35
Sugar and related products	---	---	---	287	253	-12	-287	-253
Other	85	72	-15	67	75	+12	18	-3
Total	2,055	1,925	-6	1,578	1,427	-10	477	498
All food	2,402	2,210	-8	1,918	1,750	-9	484	460
Nonfood:								
Animal products:								
Live animals	25	24	-4	29	49	+69	-4	-25
Wool	---	---	---	138	154	+12	-138	-154
Silk	---	---	---	15	12	-20	-15	-12
Inedible tallow	94	115	+22	---	---	---	94	115
Hatching eggs	6	5	-17	---	---	---	6	5
Other	78	91	+17	80	78	-2	-2	13
Total	203	235	+16	262	293	+12	-59	-58
Crop products:								
Cotton and linters	478	323	-32	15	17	+13	463	306
Tobacco	201	190	-5	72	89	+24	129	101
Oils and oilseeds	22	15	+47	45	51	+13	-23	-36
Protein meal	76	108	+42	2	2	0	74	106
Feed grains	533	692	+30	14	10	-29	519	682
Other	84	90	+7	316	284	-10	-232	-194
Total	1,394	1,418	+2	464	453	-2	930	965
All nonfood	1,597	1,653	+4	726	746	+3	871	907
All agricultural:	4,000	3,863	-3	2,644	2,496	-6	1,356	1,367
Complementary imports 3/	---	---	---	1,274	1,103	-13	---	---
Supplementary imports	---	---	---	1,370	1,393	+2	---	---
Nonagricultural	12,798	13,549	+6	9,391	10,912	+16	3,407	2,637
Total, all commodities	16,798	17,412	+4	12,035	13,408	+11	4,763	4,004

1/ Compiled from Foreign Agriculture Trade. Food use of items such as oils, oilseeds, and grains is approximated. 2/ Edible gelatin and honey and, for export, edible fats. 3/ Essentially noncompetitive with U.S. products.

NUTRITIONAL REVIEW 1/

Supplies of nutrients in the national average diet likely will be about the same in 1966 as in 1965 except for a little less thiamine from meat and a little more niacin from poultry. Per capita consumption of pork next year is expected to drop about 5 percent from 1965. Consumption of poultry is expected to reach an alltime high in 1966.

Compared to 1964, ascorbic acid is the only nutrient that increased noticeably in 1965. Other nutrients show little or no change. The slight declines in calories, protein, fat, and thiamine are attributable to a small decrease in meat supplies; the 2-percent drop in thiamine is directly related to reduced pork consumption (table 7).

The increase of 5 percent in ascorbic acid is the result of an 8-percent gain in per capita consumption of fruits, chiefly citrus. Ascorbic acid in 1964 had declined to 99 from 102 milligrams in 1963, reflecting the impact of the severe freeze of the Florida citrus crop in December 1962. In 1964, stocks of processed juice were so low that the increase in fresh citrus did not prevent the drop in ascorbic acid for that year.

Amounts of ascorbic acid and vitamin A value are now at about the same levels as in 1909-13 (fig.6). These nutrients tended to move upward over the years; they reached their peak in the mid-forties when consumption of fruits and vegetables was high and victory gardens popular. These foods furnish over 90 percent of the ascorbic acid and 50 percent of the vitamin A value in the food supply (table 8). Since the peak years there have been fewer home gardens and decreases in consumption of some of the good sources of ascorbic acid and vitamin A (e.g., potatoes, sweetpotatoes, citrus, and some other fruits and vegetables) resulting in a decline of values to the 1909-13 level.

Calcium and thiamine also reached their peak levels in the mid-forties and have remained higher than at the beginning of the series (fig. 6). Calcium levels reflect changes in the consumption of milk which furnishes over 75 percent of the total. The compulsory enrichment program during World War II accounted for the sharp rise in thiamine after 1940. Although consumption of grain products has been declining, they continue to contribute over a third of the thiamine in the national diet chiefly because of enrichment (table 8).

The decline in consumption of grain products also contributed to the decrease in food energy (calories) since 1909-13 (fig. 7). The nutrients providing calories have also changed. Fat, which provides over twice as many calories per gram as protein or carbohydrate, has increased about 15 percent since 1909-13. Carbohydrate, on the other hand, is down about 25 percent, and protein about 5 percent.

1/ Prepared by Berta Friend, Consumer and Food Economics Research Division, Agricultural Research Service.

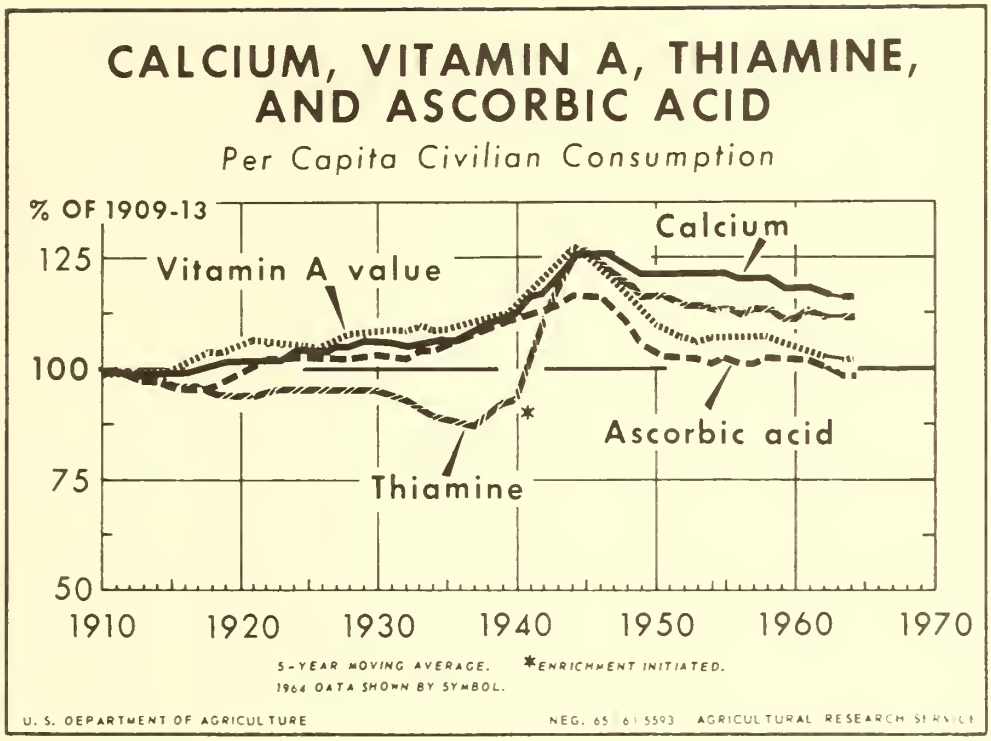
CALCIUM, VITAMIN A, THIAMINE, AND ASCORBIC ACID
Per Capita Civilian Consumption
% OF 1909-13
125
100
75
50
Vitamin A value
Calcium
Ascorbic acid
Thiamine
*
1910
1920
1930
1940
1950
1960
1970
5-YEAR MOVING AVERAGE. *ENRICHMENT INITIATED.
1964 DATA SHOWN BY SYMBOL.
U. S. DEPARTMENT OF AGRICULTURE
NEG. 65 (6) 5593 AGRICULTURAL RESEARCH SERVICE

Fig. 6

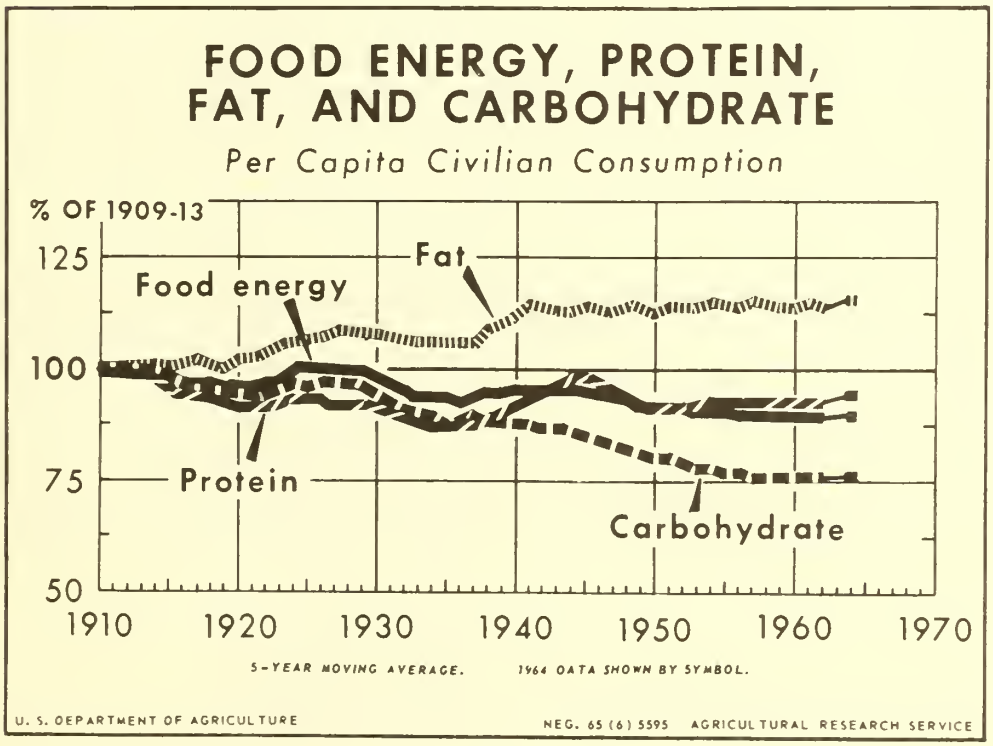
FOOD ENERGY, PROTEIN, FAT, AND CARBOHYDRATE
Per Capita Civilian Consumption
% OF 1909-13
125
100
75
50
Fat
Food energy
Protein
Carbohydrate
1910
1920
1930
1940
1950
1960
1970
5-YEAR MOVING AVERAGE. 1964 DATA SHOWN BY SYMBOL.
U. S. DEPARTMENT OF AGRICULTURE
NEG. 65 (6) 5595 AGRICULTURAL RESEARCH SERVICE

Fig. 7

Table 7.--Nutrients available for civilian consumption, per capita per day, for selected periods 1/

Nutrient	Unit	Average 1947-49	Average 1957-59	1963	1964	1965 preliminary	1965 as a percentage of 1947-49	1965 as a percentage of 1957-59	1965 as a percentage of 1964
Food energy	Cal.	3,230	3,140	3,150	3,170	3,130	97	100	99
Protein	Gm.	95	95	96	97	96	101	101	99
Fat	Gm.	141	143	145	147	144	102	101	98
Carbohydrate	Gm.	403	374	371	371	372	92	99	100
Calcium	Gm.	.99	.98	.96	.96	.96	97	98	100
Phosphorus	Gm.	1.54	1.51	1.51	1.51	1.50	97	99	99
Iron	Mg.	16.7	16.1	16.5	16.6	16.5	99	102	99
Vitamin A value	I.U.	8,700	8,000	7,900	7,700	7,700	89	96	100
Thiamine	Mg.	1.91	1.84	1.84	1.83	1.80	94	98	98
Riboflavin	Mg.	2.28	2.28	2.26	2.26	2.25	99	99	100
Niacin	Mg.	21.0	20.6	21.4	21.5	21.4	102	104	100
Ascorbic acid	Mg.	113	105	102	99	104	92	99	105

1/ Data computed by Consumer and Food Economics Research Division, ARS, on the basis of estimates of apparent per capita consumption (retail basis), including estimates of produce of rural and urban home gardens, supplied by the Economic and Statistical Analysis Division, ERS. No deduction has been made in nutrient estimates for loss or waste of food in households or for destruction or loss of nutrients during the preparation of food. Data include quantities of iron, thiamine, riboflavin, and niacin added to flour and cereal products; quantities of vitamin A value added to margarine and milk of all types; quantities of ascorbic acid added to fruit juices and drinks.

These nutrient estimates represent average U. S. food consumption. Estimates of consumption of a particular nutrient may fluctuate from year to year but taken all together the estimates show that the Nation produces enough total food and in sufficient variety to meet the nutritional needs of the country. How well individual households or individual members within a household fare nutritionally amid the abundance of food available for consumption can only be determined from surveys. A USDA survey now in progress will provide information for 1965 about the food consumption of farm, rural nonfarm, and urban families in four regions and at different income levels, and about the food intake of individuals of different ages.

Table 8.--Contribution of major food groups to nutrient supplies available for civilian consumption, 1957-59 average and 1965 1/

Food group	Food energy	Protein	Fat	Carbo-hydrate	Calcium	Phos-phorous	Iron	Vitamin A value	Thiamine	Ribo-flavin	Niacin	Ascorbic acid
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1957-59 Average												
Meat (including pork fat cuts), poultry, and fish	18.2	35.7	33.0	0.1	3.2	22.0	27.1	19.9	27.4	21.2	42.3	1.1
Eggs	2.6	6.8	4.0	.1	2.8	6.8	7.1	7.3	2.8	6.4	.1	0
Dairy products, excluding butter	13.5	24.5	16.5	7.7	76.6	38.8	2.3	12.7	10.5	45.3	2.0	5.2
Fats and oils, including butter	16.0	.1	39.4	2/	.4	.2	0	8.7	0	0	0	0
Citrus fruits	.7	.4	.1	1.5	.8	.6	.8	1.1	2.1	.4	.7	22.1
Other fruits	2.6	.8	.3	5.6	1.3	1.3	4.4	6.9	2.2	1.8	2.3	10.9
Potatoes and sweetpotatoes	2.8	2.4	.1	5.3	1.0	3.9	4.3	8.3	6.4	1.9	7.6	20.6
Dark green and deep yellow vegetables	.3	.5	2/	.5	1.6	.7	1.9	20.7	.9	1.2	.7	9.2
Other vegetables, including tomatoes	2.3	3.3	.4	4.2	4.6	4.7	9.1	13.8	6.9	4.4	6.2	30.8
Dry beans and peas, nuts, soya flour	2.9	5.2	3.2	2.3	2.6	5.7	7.4	2/	6.0	1.9	6.3	2/
Flour and cereal products	21.4	19.9	1.5	37.6	3.3	13.1	28.2	.4	34.8	14.6	28.2	0
Sugars and other sweeteners	15.8	2/	0	34.2	.8	.2	4.3	0	2/	.1	2/	2/
Coffee and cocoa 3/	.8	.4	1.4	.7	1.1	2.0	3.0	2/	.1	.8	6.4	0
Total 4/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1965 5/												
Meat (including pork fat cuts), poultry, and fish	19.2	38.6	34.1	0.1	3.3	23.8	28.6	21.5	27.4	22.9	44.6	1.1
Eggs	2.2	5.8	3.5	.1	2.4	5.9	6.0	6.6	2.5	5.7	.1	0
Dairy products, excluding butter	12.6	23.8	14.8	7.5	76.7	38.2	2.3	12.3	10.4	44.6	1.9	5.0
Fats and oils, including butter	16.4	.1	40.3	2/	.4	.2	0	8.7	0	0	0	0
Citrus fruits	.7	.4	.1	1.4	.7	.5	.7	1.1	2.1	.4	.7	21.1
Other fruits	2.6	.7	.3	5.5	1.3	1.3	4.1	6.9	2.1	1.7	2.1	12.5
Potatoes and sweetpotatoes	2.8	2.4	.1	5.3	.9	3.9	4.3	6.8	6.4	1.8	7.4	20.6
Dark green and deep yellow vegetables	.3	.5	2/	.5	1.6	.6	1.7	20.8	.9	1.2	.7	9.3
Other vegetables, including tomatoes	2.4	3.2	.4	4.4	4.6	4.7	9.0	14.9	7.0	4.4	6.1	30.4
Dry beans and peas, nuts, soya flour	2.9	5.1	3.5	2.2	2.6	5.7	6.9	2/	5.9	1.8	6.5	2/
Flour and cereal products	20.9	19.1	1.5	36.9	3.3	12.9	28.0	.3	35.2	14.7	24.1	0
Sugars and other sweetenera	16.3	2/	0	35.4	1.0	.2	5.3	0	2/	.1	2/	2/
Coffee and cocoa 3/	.8	.5	1.5	.7	1.1	2.1	3.0	2/	.1	.8	5.9	0
Total 4/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Percentages were derived from nutrient data which include quantities of iron, thiamine, riboflavin, and niacin added to flour and cereal products; quantities of vitamin A value added to margarine and milk of all types; quantities of ascorbic acid added to fruit juices and drinks.
2/ Less than 0.05 percent.
3/ Chocolate liquor equivalent of cocoa beans.
4/ Components may not add to total due to rounding.
5/ Preliminary.

FOOD AND BEVERAGE SALES BY THE RETAIL TRADE 1/

Food Sales and Total Expenditures

Sales of food (for off-premise consumption) by all types of retailers totaled approximately $52.5 billion in 1963 and meals (including snacks) accounted for another $13.8 billion (table 9). 2/ Food accounted for 21.5 percent of total sales by the retail trade and meals another 5.2 percent. These figures do not include $4.8 billion in sales of alcholic drinks nor $6.1 billion for packaged liquor.

Food and meal sales by retailers totaled $66.3 billion in 1963 compared with total personal consumption expenditures for food of $77.1 billion in the same year, as reported by the Department of Commerce. Sales by retailers include some sales omitted by the Commerce data, such as food comprising a business expense that is counted elsewhere in the national income accounts. But, personal consumption expenditures for food include many purchases not made from retailers. 3/

Food Sold for Off-Premise Consumption

Total sales by food stores totaled $57.1 billion in 1963, but only about 85 percent ($48.6 billion) of these sales were food items so nonfood sales by food stores totaled about $8.5 billion. 4/ The $3.9 billion in food sales made

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1/ By Stephen J. Hiemstra, Head, Food Consumption Section, Economic Research Service.

2/ These data are from a special report from the 1963 Census of Business which gives a breakdown of sales by merchandise lines. "Food" here refers to "Groceries-other foods" as defined by the Census: "Groceries, other food items for preparation and consumption away from this establishment (including candy, bottled or canned soft drinks)," 1963 Census of Business, Retail Trade, Merchandise Line Sales, United States Summary (advance report), BC 63 (A)-RS7A, July 1965. The information also is being published for each of the 9 census regions. The data in these reports apply only to sales of establishments with payroll but this analysis applied the same proportions to total sales by kind of business taken from 1963 Census of Business, Retail Trade: United States Summary, BC 63-RA1. Information by merchandise line was last published as part of the 1948 Census of Business.

3/ These include (1) food sold by producers, processors, and other non-retail firms for off-premise consumption; (2) meal sales (including tips) by service and amusement establishments, hotels, dining and buffet cars, schools, school fraternities, institutions, clubs, and industrial lunchrooms; (3) food served to the military and to employees of hospitals, prisons, hotels, and other commercial food service establishments, and firms engaged in water transportation ($1.3 billion in 1963); and (4) food produced and consumed on farms ($1.0 billion in 1963).

4/ The 1954 and 1958 Census sales data are summarized in "Number and Sales of Food and Beverage Retailers", National Food Situation, NFS-112, May 1965, pp. 26-28 (reprinted as ERS-241).

Table 9.--Food and beverage sales by kind of business, retail trade, 1963

Kind of business	Total sales by retailers	Food and beverage sales 1/				Food and beverages as percent of total sales			
		Food	Meals, snacks	Alcoholic drinks	Packaged liquor	Food	Meals, snacks	Alcoholic drinks	Packaged liquor
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.	Pct.	Pct.	Pct.
Food stores	57,079	48,631	114	57	799	85.2	0.2	0.1	1.4
Grocery stores	52,566	44,418	105	53	788	84.5	.2	.1	1.5
Meat markets	1,530	1,522	2/	2/	2/	99.5	2/	2/	2/
Seafood markets	176	172	1	2/	1	98.0	.8	.1	.4
Fruit, vegetable markets	412	396	2/	2/	2	96.2	.1	2/	.5
Confectionery stores	499	448	12	2/	1	89.8	2.4	2/	.2
Dairy product stores	515	479	22	2/	2	93.1	4.2	2/	.4
Retail bakeries	1,080	1,055	21	2/	2/	97.7	1.9	2/	2/
Egg and poultry dealers	154	147	2/	---	2/	95.7	.1	---	.1
Other food stores	147	111	3/	3/	2/	75.3	3/	3/	.3
Eating and drinking places	18,412	368	12,667	4,640	258	2.0	68.8	25.2	1.4
Eating places	13,919	334	12,012	1,141	56	2.4	86.3	8.2	.4
Restaurants, Lunchroons	10,177	193	8,589	1,079	51	1.9	84.4	10.6	.5
Cafeterias	892	7	848	12	1	.8	95.1	1.3	.1
Refreshment places	2,106	105	1,895	32	4	5.0	90.0	1.5	.2
Caterers	745	31	650	39	1	4.1	87.3	5.3	.2
Drinking places	4,493	27	539	3,621	207	.6	12.0	80.6	4.6
Department stores	20,537	554	185	2/	3/	2.7	.9	2/	3/
Variety stores	4,538	213	218	5	5	4.7	4.8	.1	.1
General merchandise stores	4,467	532	18	4	22	11.9	.4	.1	.5
Gasoline service stations	17,760	89	71	2/	18	.5	.4	2/	.1
Drug, proprietory stores	8,487	161	365	2/	229	1.9	4.3	2/	2.7
Liquor stores	5,189	171	26	114	4,686	3.3	.5	2.2	90.3
Cigar stores	275	10	11	1	4	3.8	4.0	.4	1.4
Other retail stores 4/	101,254	819	---	---	59	.8	---	---	.1
Nonstore retailers 5/	6,204	955	81	2/	25	15.4	1.3	2/	.4
Total retail trade	244,202	52,503	6/13,756	6/4,821	6,105	21.5	5.2	1.8	2.5

1/ Percentages for only establishments with payroll applied to total sales of all establishments. Group totals derived independently so sales detail may not add to group totals. 2/ Less than $0.5 million or less than 0.05 percent. 3/ Withheld to avoid disclosure. 4/ Includes sales of retailers listed above in 2/ and 3/ plus retailers not included above, derived by subtraction. 5/ Mail order houses, vending machine operators, and direct selling (house-to-house) organizations. 6/ Total of above subgroups.

Based on data from Bureau of the Census, 1963 Census of Business, Retail Trade, Merchandise Line Sales, United States Summary (advance report), BC 63 (A)-RS7A, July 1965.

by other types of retailers was less than the nonfood sales made by food stores.

Grocery stores, including delicatessens, accounted for 85 percent of total food sales by retailers. Other types of food stores, such as meat markets and retail bakeries, made up 8 percent. The remaining 7 percent was split among a large number of retailers of various kinds. Department stores, general merchandise stores, and direct selling (house-to-house) organizations each accounted for over $0.5 billion in food sales. But each of these groups sold only 1 percent of total food sales by retailers. Though meals and alcoholic beverages made up the bulk of the sales by eating places, food for off-premise consumption totaled over $300 million. Vending machines are estimated to have sold almost this much food in 1963. Other retailers that sold over $100 million of food (other than meals) include variety stores, drug stores, and liquor stores. Gasoline service stations made nearly $90 million in food sales.

Nearly a fourth of all retail trade establishments reported selling food, other than as meals. Only two-thirds of these establishments were classified as food stores. But, average sales for the remaining third were small since they accounted for only 7 percent of total food sales.

Food sales by food stores were reported by the Census by commodity groups for selected major product lines (table 10). The data differ significantly from the results of the annual survey of grocery store sales by Food Topics, though the commodity detail is not nearly as great (table 11). The Food Topics data were redefined to fit the commodity groups commonly used in the per capita food consumption index.

Grocery stores sell more nonfood items than other types of food stores. Grocery stores reported that 14.5 percent of all sales were nonfoods compared with meat markets reporting less than 1 percent nonfoods, retail bakeries 3 percent, and dairy product stores 7 percent. Nonfood sales by grocery stores were reported to Census as follows:

	Percent of total sales
Tobacco products	4.3
Cosmetics, drugs, health needs, and cleaners	4.4
Paper products	2.9
Alcoholic beverages	1.6
Other nonfoods	1.3
Total nonfoods	14.5

Data from the Food Topics survey show a greater proportion of sales of nonfoods than the Census data. Part of the differences probably were due to definitions; the food trade often classes such things as soaps and paper

Table 10.--Food sales by commodity groups, by kind of business, 1964

Kind of business	Meats, poultry, fish	Fresh fruits, vegetables	Frozen foods 1/	All other foods	Total food 2/
	Pct.	Pct.	Pct.	Pct.	Pct.
Proportion of total sales:					
Grocery stores	24.0	7.6	4.6	48.3	84.4
Meat markets	96.2	.4	.8	2.2	99.5
Seafood markets	91.9	1.9	1.3	3.0	98.1
Fruit, vegetable markets	4.1	82.4	2.2	7.8	96.4
Confectionery stores	.8	.2	2.0	85.6	88.6
Dairy product stores	3.7	.2	8.7	80.5	93.1
Retail bakeries	.5	.1	1.7	95.5	97.7
Egg and poultry dealers	78.8	.5	1.0	17.2	97.4
Other food stores	3.4	1.0	.4	69.8	74.6
All food stores	25.2	7.6	4.4	48.1	85.3
Proportion of food sales:					
Grocery stores	28.5	9.0	5.5	57.0	100.0
Meat markets	96.4	.4	.8	2.2	100.0
Seafood markets	93.8	1.9	1.3	3.0	100.0
Fruit, vegetable markets	4.2	85.4	2.3	8.1	100.0
Confectionery stores	.9	.2	2.3	96.6	100.0
Dairy product stores	4.0	.2	9.3	86.5	100.0
Retail bakeries	.5	.1	1.7	97.7	100.0
Egg and poultry dealers	80.8	.5	1.0	17.7	100.0
Other food stores	4.5	1.4	.5	93.6	100.0
All food stores	29.5	8.9	5.2	56.4	100.0

1/ Includes frozen meat, poultry, and fish.

2/ Percentages may differ slightly from those reported in earlier table because these data apply only to sales of establishments for which additional detail was given by commodity.

Derived from Bureau of the Census, 1963 Census of Business, Retail Trade, Merchandise Line Sales, United States Summary (advance report), BC 63 (A)-RS7A July 1965.

Table 11.--Grocery store sales, by commodity groups, 1963 and 1964

Commodity group	Percent of total		Percent of food and nonfood sales	
	1963	1964	1963	1964
	Pct.	Pct.	Pct.	Pct.
Food				
Meat, poultry, and fish:	25.2	25.4	33.0	33.3
Meat	19.7	20.0	25.8	26.2
Poultry	3.8	3.7	5.0	4.9
Fish	1.7	1.7	2.2	2.2
Eggs	1.1	1.1	1.5	1.4
Dairy products	7.7	7.4	10.1	9.7
Fruits and vegetables: 1/	18.9	18.9	24.7	24.8
Fresh produce	10.1	10.5	13.2	13.8
Processed products	8.8	8.4	11.5	11.0
Cereal and bakery products	9.8	9.7	12.8	12.7
Nonalcoholic beverages	5.3	5.6	6.9	7.3
Other foods 2/	8.5	8.1	11.0	10.8
Total food	76.5	76.2	100.0	100.0
Nonfood				
Alcoholic beverages	4.9	4.9	20.8	20.7
Pet food	.8	.8	3.4	3.5
Tobacco	4.2	4.0	17.9	16.7
Health and beauty aids	3.0	3.1	12.8	12.9
Soaps and laundry supplies	2.7	2.7	11.5	11.2
Paper products and foil	1.6	1.6	6.8	6.8
Housewares and household supplies 3/	2.0	2.0	8.6	8.6
Magazines, books, records	.3	.3	1.2	1.2
Other nonfoods	4.0	4.4	17.0	18.4
Total nonfoods	23.5	23.8	100.0	100.0
Total all items	100.0	100.0	---	---

1/ Including potatoes, sweetpotatoes, and melons. 2/ Includes frozen prepared foods; baking needs; candy and chewing gum; desserts; food fats and dressings; jams, jellies, and preserves; sugars and other sweeteners; and other foods. 3/ Includes cooking, kitchen aids, and serving utensils and such items as pesticides, waxes, mops, brooms, lightbulbs, and deoderizers.

Derived from annual survey of grocery stores by Food Topics.

products as dry groceries. The Census survey apparently included groceries with food, so food sales by grocery stores may be overstated. 5/ The differences reported for alcoholic beverages were substantial.

Meals and Snacks

Most of the $13.8 billion of food sold by retailers in the form of meals is sold by establishments classified as various kinds of eating places (table 9). Restaurants and lunchrooms accounted for 62 percent of the total but refreshment places, cafeterias, and caterers each sold significant proportions of total meals and snacks. A wide variety of retail establishments participated in the remaining 13 percent of meal sales. Drinking places led the list with 5 percent of total meal sales, and drug stores accounted for 3 percent. Variety stores, department stores, and grocery stores each had meal sales over $100 million. Gasoline service stations and vending machine operators also sold large amounts of meals.

Total sales of all items by eating places amounted to $13.9 billion in 1963, nearly the same as total sales of meals and snacks by all retailers. As a result, sales of meals by other types of retailers about equaled nonmeal sales by eating places. Nine percent of the sales of eating places consisted of alcoholic beverages, another 2 percent was accounted for by food for off-premise consumption, and 3 percent for other items.

Almost as many establishments reported making sales of meals as sold food for off-premise consumption in 1963, 23 percent of all retail establishments. About 63 percent of them were classed as eating places and another 19 percent were drinking places. Nearly 6,000 food stores reported selling some food as meals or snacks, but this accounted for only 3 percent of the total establishments selling meals.

Alcoholic Beverages

Sales of alcoholic drinks and packaged liquor are included here primarily because of their importance in total sales of eating and drinking places. About 11 percent of total sales by restaurants and lunchrooms were alcoholic drinks (table 9). These sales totaled over $1 billion in 1963. Drinking places' sales consisted primarily of alcoholic drinks and packaged liquor, 85 percent of the total. Together, over a fourth of total sales of eating and drinking places were for alcoholic beverages.

Liquor stores sell most of the packaged liquor, but grocery stores also sell a significant volume. Grocery stores sold about 13 percent of the packaged liquor in 1963, but this amounted to only a small part of their total sales. Census data indicate that only about 1.5 percent of total sales are alcoholic beverages, but the Food Topics data show 4.9 percent.

5/ See footnote 1/.

THE SWEETENER MARKET -- TRENDS AND PROSPECTS 1/

Sugar is the primary sweetener in the United States. Domestically refined beet sugar processed from U. S.-grown sugar beets accounts for about 30 percent of U. S. sugar consumption, while the remaining 70 percent consists of refined cane sugar. About 30 percent of domestic sugar consumption (about 43 percent of cane sugar consumption) is supplied by raw sugar processed from sugarcane grown in Florida, Louisiana, Hawaii, Puerto Rico, and the Virgin Islands. Nearly all the remaining 40 percent of domestic consumption consists of imports of raw sugar from 30 or more countries. A negligible portion of consumption consists of imported refined sugar, mostly cane. Both imported and domestic raw cane sugar are processed into refined cane sugar in the 25 refineries in the United States, located mostly on the East and Gulf Coasts.

The corn sweetener industry manufactures dextrose (refined corn sugar) and corn sirup from hydrolized corn starch. 2/ These corn sweeteners are produced by the corn-wet-milling industry. 3/

Non-caloric sweeteners consist of saccharin and cyclamate, which are manufactured from petroleum or coal-tar products. Saccharin is about 300 times sweeter than sugar and cyclamate is about 30 times sweeter.

Trends in Consumption

Caloric Sweeteners

Per capita consumption of caloric sweeteners has generally increased during postwar years, but per capita consumption of sugar has remained about the same during this period (table 12). The most interesting facets of sweetener consumption are the increasing consumption in the form of commercially processed foods and the substitution occurring among sweeteners. More than half the sugar and practically all the dextrose and corn sirup consumed since 1960 were embodied in commercially processed foods compared with a smaller proportion in earlier years (table 13). Related to this trend were increased deliveries of sugar and other sweeteners in bulk as well as various combinations of blended liquid and dry sweeteners. Conversely, there has been a decline in the proportion of sugar purchased in packages of less than 50 pounds. This trend likely will continue in future years, but the decline will be smaller.

Non-Caloric Sweeteners

Estimated consumption of non-caloric sweeteners is shown in table 14. Saccharin production has generally increased over the past 6 decades based on trade estimates. Cyclamate production has increased substantially

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1/ By Frederick D. Gray, Food Consumption Section, Economic Research Service.
2/ Starch is inverted or hydrolized by an acid or enzyme into simpler sugars.
3/ So-called because the corn is processed in a water medium as opposed to dry corn milling.

Table 12.--Sugars and other caloric sweeteners: Per capita consumption, 1950-64 1/

Year	Cane and beet sugar 2/	Corn sugar (dextrose)	Sirups					Edible cane molasses	Honey	Total
			Sugar cane	Corn	Sorgo	Maple 3/	Refiners			
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1950	100.6	4.5	0.7	9.2	0.3	0.2	0.3	0.4	1.6	117.8
1951	94.0	4.1	.7	9.0	.3	.2	.4	.5	1.7	110.9
1952	97.1	3.9	.4	8.7	.2	.2	.3	.7	1.6	113.1
1953	97.2	4.0	.4	8.8	.2	.2	.3	.4	1.4	112.9
1954	95.6	3.7	.3	8.8	.2	.2	.3	.4	1.3	110.8
1955	96.3	3.7	.3	9.0	.2	.2	.2	.4	1.4	111.7
1956	97.8	3.5	.3	9.0	.2	.2	.2	.4	1.2	112.8
1957	95.0	3.2	.3	8.9	.2	.2	.2	.2	1.2	109.4
1958	96.8	3.7	.2	9.5	.2	.2	.3	.3	1.4	112.6
1959	96.4	3.9	.2	9.9	.2	.2	.2	.3	1.4	112.7
1960	97.6	3.7	.2	10.2	.1	.2	.3	.3	1.5	114.1
1961	97.7	3.7	.2	10.6	.1	.2	.2	.3	1.4	114.4
1962	97.2	3.9	.2	11.5	4/	.2	.2	.4	1.5	115.1
1963	96.1	4.5	.2	12.3	4/	.2	.2	.3	1.5	115.3
1964 5/	95.8	4.4	.2	13.7	4/	.2	.2	.3	1.6	116.4

1/ Military takings have not been subtracted from total supply, so per capita estimates are for the total population. Includes quantities used in commercially processed foods. Data for 1909-49 are in U. S. Food Consumption, Stat. Bul. 364. 2/ Refined; measured approximately at wholesale level of distribution. 3/ Includes sirup equivalent of maple sugar. 4/ Not available. 5/ Preliminary.

since production began in 1950. Between 1959 and 1963, production of non-caloric sweeteners almost doubled and from 1963 to 1964 it more than doubled. Also, imports of both saccharin and cyclamate have increased substantially in most recent years. Domestic price reduction apparently lowered saccharin imports in 1964. Recent price reductions in domestic cyclamate may reduce cyclamate imports in 1965 or 1966.

The soft drink industry is the biggest user of non-caloric sweeteners. Saccharin or cyclamate is seldom used alone in soft drinks, but rather in combination with each other, frequently in a ratio of 1 part saccharin to 10 parts cyclamate. The main reason for blending saccharin and cylamate is that though the sweetness is additive, the somewhat bitter aftertastes

Table 13.--Per capita deliveries of sugar and corn sweeteners, by type of product or business of buyer, United States, selected years, 1950-64, 1/

Product or business of buyer	Sugar				Corn sirup				Dextrose				Total			
	1950	1955	1960	1964	1950	1955	1960	1964	1950	1955	1960	1964	1950	1955	1960	1964
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Industrial food buyers																
Cereal and bakery products	8.4	10.6	11.6	11.3	0.5	0.6	0.9	1.9	2.3	2.0	2.2	2.4	11.2	13.2	14.7	15.6
Confectionery products	9.2	8.0	8.9	9.0	3.9	3.5	3.6	3.6	.2	.2	.2	.4	13.3	11.7	12.7	13.0
Dairy products	3.3	3.6	4.0	4.6	.2	.4	.7	1.3	.2	.1	.1	.1	3.7	4.1	4.8	6.0
Beverages	9.9	10.7	12.7	14.5	2/.2	2/.2	2/.4	2/.6	2/.5	2/.3	2/.3	2/.4	10.6	11.2	13.4	15.5
Canned, bottled, frozen foods, jams, jellies, and preserves	7.3	7.9	8.8	8.9	.5	1.0	1.2	1.9	.5	.3	.3	.3	8.3	9.2	10.3	11.1
Blended corn sirup	---	---	---	---	1.7	1.4	1.6	1.9	---	---	---	---	1.7	1.4	1.6	1.9
Corn sirup solids	---	---	---	---	4/	4/	.8	.6	---	---	---	---	4/	4/	.8	.6
Other food buyers	3.3	3.3	3.3	3.7	.4	.3	.1	3/	.2	.3	.3	.4	3.9	3.9	3.7	4.1
Total	41.4	44.1	49.3	52.0	7.4	7.4	9.3	11.8	3.9	3.2	3.4	4.0	52.7	54.7	62.0	67.8
Non-food buyers	.5	.6	.7	.6	.3	.2	.3	.3	.2	.3	.6	.7	1.0	1.1	1.6	1.6
Non-industrial food buyers																
Hotels, restaurants, institutions	.4	.4	.7	.7	---	---	---	---	---	---	---	---	.4	.4	.7	.7
Wholesale grocers, jobbers, dealers	40.0	33.4	28.0	24.7	.2	.1	3/	.1	.2	.1	.1	.1	40.4	33.6	28.1	24.9
Retail grocers, chain stores, supermarkets	15.4	13.5	13.5	12.6	---	---	---	---	---	---	---	---	15.4	13.5	13.5	12.6
All other deliveries, including Government	1.2	.9	1.0	1.4	---	---	---	---	.1	.1	3/	3/	1.3	1.0	1.0	1.4
Total	57.0	48.2	43.2	39.4	.2	.1	3/	.1	.3	.2	.1	.1	57.5	48.5	43.3	39.6
Total, all buyers	98.9	92.9	93.2	92.0	7.9	7.7	9.6	12.2	4.4	3.7	4.1	4.8	111.2	104.3	106.9	109.0
By container size (sugar only)																
Consumer packages (less than 50 lbs.)	37.9	32.4	31.8	28.3	---	---	---	---	---	---	---	---	---	---	---	---
Bulk deliveries unpackaged	4/	4/	12.7	19.5	---	---	---	---	---	---	---	---	---	---	---	---
Other	4/	4/	48.7	44.2	---	---	---	---	---	---	---	---	---	---	---	---

1/ Dry weight basis. 2/ Includes corn sweeteners used by breweries. 3/ Less than 0.05 pounds. 4/ Not available.

NOTE: Deliveries of sweeteners in 1950 were considerably higher than normal because of U. S. military activity in Korea.

Table 14.--Non-caloric sweeteners: Production, imports and consumption United States, 1957-59 and 1963-64

Year	Production 1/	Imports 2/	Apparent consumption		
			Total	Sugar equivalent 3/	
				Total	Per capita
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 tons	Pounds
			Saccharin		
1963	1,429	1,121	2,550	383	4.0
1964	2,443	785	3,228	484	5.0
			Cyclamate		
1963	4,286	446	4,732	71	1.2
1964	9,772	1,043	10,815	162	1.7
			Total, non-caloric sweeteners		
1957	2,060	125	2,185	---	---
1958	2,350	237	2,587	---	---
1959	2,992	304	3,296	---	---
1963	5,715	1,567	7,282	454	5.2
1964	12,215	1,828	14,043	646	7.7

1/ Total non-caloric sweeteners reported by U. S. Tariff Commission beginning 1957; not available for 1960-62. Saccharin and cyclamate production estimated on basis of trade information. 2/ Saccharin reported by U. S. Bureau of the Census, cyclamate by U. S. Tariff Commission; total derived. 3/ Estimated, assuming saccharin to be 300 times sweeter than sugar and cyclamate 30 times sweeter than sugar.

are masked significantly. About half the cyclamate output and a tenth of the saccharin output in 1964 were used in commercial soft drinks. An estimated 15 percent of cyclamate consumption was in pre-sweetened soft drink bases.

Retail sales of non-caloric sweeteners are estimated to have accounted for more than one-third of saccharin and about 15 percent of cyclamate output in 1964. Processed low-calorie foods are estimated to use 2 to 3 percent of saccharin production and about 15 percent of cyclamate. Liquid diet foods (containing about 225 calories per container, for weight control) used about 2 to 3 percent of saccharin output and about 15 percent of cyclamate production in 1964. About one-third of 1964 saccharin output and perhaps 5 percent of cyclamate output were used for nonfood purposes, such as tooth paste, pharmaceuticals, and tobacco curing. Use of non-caloric sweeteners in liquid

diet foods may stabilize in future years; consumption of these foods apparently has leveled off. However, since annual consumption of commercial soft drinks continues to rise, significantly increased use of non-caloric sweeteners in soft drinks is expected.

Trends in Sources of Supply, 1950-64

Sugar

Since 1934, the U. S. Government has regulated domestic production and imports under the U. S. Sugar Act. During 1950-64, some noticeable changes occurred in sources of supply. Imports from Cuba, which formerly supplied about 30 percent of the U. S. market, were suspended by Presidential Proclamation in 1960. Increased supplies were imported from 30 or more countries during 1960-65 (table 15).

Domestic production of U. S. mainland beet and cane sugar increased substantially between 1950 and 1964. Domestic production of sugar beets and sugarcane has become almost completely mechanized, yields of sugar crops per acre have risen substantially, and output per farm has increased considerably. About the same number of companies produced sugar in the United States in 1964 as in 1950. However, there were somewhat fewer plants processing sugarcane and sugar beets. Only Florida, in which 10 raw cane mills operated in 1964 compared with only 3 in 1960, was the exception. While the number of processing plants declined somewhat, domestic sugar output in most areas increased considerably. Thus, output of cane and beet sugar per plant rose substantially in recent years, much of it due to large capital investment in expanded plant facilities.

A comparison of world and U. S. sugar production shows similar trends (table 16). Between 1950 and 1964, world sugar output almost doubled, from 36.0 million tons to 70.1 million. Beet sugar production accounted for 40 percent of the total in 1950, increasing to 46 percent in 1964. During 1950-64, the United States produced about 10 percent of the world production of both cane and beet sugar.

Corn Sweeteners

The United States grows about half the world corn output on about 30 percent of world acreage. About $2\frac{1}{2}$ percent of annual U. S. production is processed into corn sweeteners.

Total corn sweetener production increased from 1.1 million tons in 1952 to 1.9 million in 1964. From 1952 to 1964, corn sirup output almost doubled, while dextrose production increased about 42 percent. At present, 9 firms operate 13 factories producing corn sirup, with little change since 1950. However, the number of dextrose producers increased from 2 in 1959 to 4 in 1965.

Table 15.--Sugar: Sources of United States supply, selected years, 1950-64 1/

Item	1950	1955	1960	1964	Percent of total supply: 1950	1955	1960	1964
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Pct.	Pct.	Pct.	Pct.
Domestic								
Beet sugar	1,748	1,797	2,165	2,699	21.2	21.4	22.7	29.5
Cane sugar:								
Florida	2/	2/	177	336	2/	2/	1.9	3.7
Louisiana	2/522	2/499	442	569	2/6.3	2/6.0	4.6	6.3
Hawaii	1,145	1,052	845	1,110	13.8	12.5	8.9	12.2
Puerto Rico	1,052	1,080	896	793	12.7	12.9	9.4	8.7
Virgin Islands	11	10	7	16	.1	.1	.1	.2
Total, domestic	4,478	4,438	4,532	5,523	54.1	52.9	47.6	60.6
Foreign								
European beet sugar 3/	---	3	15	1	---	4/	.2	4/
Cane sugar:								
North America								
Cuba	3,264	2,861	2,395	---	39.5	34.1	25.0	---
Mexico	2	13	400	480	4/	.2	4.2	5.3
Dominican Republic	20	33	451	398	.2	.4	4.7	4.4
British West Indies 5/	---	---	93	142	---	---	1.0	1.6
Costa Rica	---	1	10	41	---	4/	.1	.4
El Salvador	---	---	6	21	---	---	.1	.2
French West Indies	---	---	---	34	---	---	---	.4
Guatemala	---	---	6	37	---	---	.1	.4
Haiti	2	3	33	15	4/	4/	.3	.2
Nicaragua	6	8	40	50	.1	.1	.4	.6
Panama	---	1	6	20	---	4/	.1	.2
Other	---	---	---	6	---	---	---	.1
Total:								
Excluding Cuba	30	59	1,045	1,244	.3	.7	11.0	13.8
Including Cuba	3,294	2,920	3,440	1,244	39.8	34.8	36.0	13.8
South America								
Brazil	---	---	100	182	---	---	1.1	2.0
Peru	31	56	275	233	.4	.7	2.9	2.6
Argentina	---	---	---	20	---	---	---	.2
Columbia	---	---	---	28	---	---	---	.3
Ecuador	---	---	---	58	---	---	---	.6
Other	---	---	---	---	---	---	---	---
Total	31	56	375	521	.4	.7	4.0	5.7
Eastern Hemisphere								
Philippines	474	977	1,155	1,217	5.7	11.6	12.1	13.3
Australia	---	---	---	215	---	---	---	2.4
Republic of China	---	1	10	81	---	4/	.1	.9
India	---	---	---	111	---	---	---	1.2
South Africa	---	---	---	120	---	---	---	1.3
Fiji Islands	---	---	---	55	---	---	---	.6
Other	---	---	---	22	---	---	---	.2
Total:								
Excluding Philippines	---	1	10	604	---	---	.1	6.6
Including Philippines	474	978	1,165	1,821	5.7	11.6	12.2	19.9
Total, foreign	3,799	3,957	4,995	3,586	45.9	47.1	52.4	39.4
Total, all sources	8,277	8,395	9,526	9,109	100.0	100.0	100.0	100.0

1/ Raw value basis; final charges against sugar quotas. 2/ Florida is included with Louisiana for 1950 and 1955. 3/ Includes Canada. 4/ Less than 0.05 percent. 5/ Includes British Guiana.

Table 16.--Cane and beet sugar: World and U. S. production, 1950-64 1/

Crop year 2/	World			United States			United States as percent of world		
	Cane	Beet	Total	Cane	Beet	Total	Cane	Beet	Total
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Pct.	Pct.	Pct.
1950	21,463	14,526	35,989	2,835	2,015	4,850	13.2	13.9	13.5
1951	24,145	14,459	38,604	2,660	1,541	4,201	11.0	10.7	10.9
1952	23,565	13,934	37,499	3,010	1,519	4,529	12.8	10.9	12.1
1953	24,136	17,488	41,624	2,926	1,873	4,799	12.1	10.7	11.5
1954	25,385	16,604	41,989	2,902	1,999	4,901	11.4	12.0	11.7
1955	25,927	17,804	43,731	2,891	1,730	4,621	11.2	9.7	10.6
1956	27,667	17,945	45,612	2,825	1,971	4,796	10.2	11.0	10.5
1957	28,709	20,364	49,073	2,624	2,213	4,837	9.1	10.9	9.9
1958	31,334	23,201	54,535	2,284	2,213	4,497	7.3	9.5	8.2
1959	32,210	21,809	54,019	2,690	2,302	4,992	8.4	10.6	9.2
1960	34,362	26,452	60,814	2,592	2,475	5,067	7.5	9.4	8.3
1961	31,998	24,045	56,043	3,076	2,431	5,507	9.6	10.1	9.8
1962	31,716	23,140	54,856	2,992	2,595	5,587	9.4	11.2	10.2
1963	33,983	25,370	59,353	3,289	3,086	6,375	9.7	12.2	10.7
1964 3/	37,983	32,085	70,068	3,331	3,316	6,647	8.8	10.3	9.5

1/ Centrifugal sugar, raw value. (About 10-15 percent of world production consists of non-centrifugal type sugar, not shown here.) 2/ Crop years; the harvesting season generally begins in the fall of year shown or early the following year, except in certain Southern Hemisphere countries where it begins in May or June of year indicated. 3/ Preliminary.

Non-Caloric Sweeteners

Prior to 1950 there was 1 major saccharin producer; there were 2 in 1951, and 3 in 1963. Cyclamate was not commercially produced before 1950. During 1950-61, there was only 1 cyclamate producer, except during 1955-59, when there were 2 producers, and in 1962-63, when there were 3.

Prices for Sweeteners

United States raw sugar prices normally are higher than world sugar prices due to limitations on production and imports under the Sugar Act (table 17). Between 1950 and 1964, U. S. raw sugar prices were generally stable, except in 1963, but world prices were quite volatile. There is considerable incentive for foreign quota holders to supply sugar to the United States because the U. S. price is usually above the world price. Most foreign

Table 17.--Sugar and corn sweetener prices per pound, specified areas, 1950-64 and last 12-month average

Year	Raw cane sugar spot prices		Refined sugar wholesale prices 3/					Refined sugar retail price 4/	Wholesale price, New York	
				Cane sugar						
	World price 1/	New York price 2/	Beet sugar, Chicago-West	Gulf	South East	Pacific Coast	North East		Dextrose	Corn sirup 5/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1950	4.98	5.93	7.80	8.00	8.00	8.09	8.00	9.74	7.23	7.93
1951	5.67	6.06	8.12	8.38	8.37	8.45	8.38	10.12	7.57	8.84
1952	4.17	6.26	8.41	8.55	8.60	8.67	8.62	10.30	7.92	9.18
1953	3.41	6.29	8.42	8.60	8.68	8.70	8.72	10.56	7.99	9.12
1954	3.26	6.09	8.35	8.55	8.59	8.50	8.72	10.51	7.96	9.12
1955	3.24	5.95	8.29	8.50	8.48	8.53	8.59	10.42	7.85	9.03
1956	3.48	6.09	8.38	8.60	8.64	8.75	8.77	10.57	7.91	8.90
1957	5.16	6.24	8.62	8.95	9.00	9.12	9.15	11.03	8.32	9.17
1958	3.50	6.27	8.68	9.06	9.13	9.21	9.27	11.26	8.33	9.18
1959	2.97	6.24	8.67	9.28	9.19	9.10	9.33	11.43	8.13	9.10
1960	3.14	6.30	8.77	9.39	9.40	8.96	9.43	11.63	8.13	9.12
1961	2.91	6.30	8.59	9.23	9.25	8.84	9.40	11.77	8.10	9.00
1962	2.98	6.45	8.95	9.03	9.17	9.07	9.60	11.70	8.04	8.73
1963	8.50	8.18	10.34	11.30	11.45	10.71	11.94	13.58	9.10	9.19
1964	5.87	6.90	9.38	9.82	9.90	9.85	10.68	12.81	9.73	9.37
Oct. 1964-Sept. 1965	2.45	6.63	9.01	9.30	9.38	9.18	10.05	11.77	9.50	9.46

1/ Spot prices for bagged sugar, f.a.s. Cuba in 1950-60. Beginning 1961, bagged sugar, f.o.b. Greater Caribbean ports.

2/ Spot prices for bagged sugar plus 0.5 cents per pound Cuban duty. Beginning 1961, spot prices for bulk sugar, plus 0.625 cents per pound, most favored nation duty.

3/ Wholesale basing point offer prices in 100-pound paper bags, not delivered prices.

4/ Average retail price of refined beet and cane sugar sold in major cities of the United States in a 5-pound package. Bureau of Labor Statistics data.

5/ Dry basis; derived from data for dextrose in 100 pound bags and corn sirup in drums.

Sugar Reports, U. S. Department of Agriculture, Agricultural Stabilization and Conservation Service.

sugar-producing countries consider the U. S. sugar market a premium market and strive to supply the United States with sugar when allocated quotas, even during those infrequent periods when the U. S. price is less than the world price.

The difference between refined beet sugar basis prices in Chicago and refined cane sugar prices in the Northeast widened between 1950 and 1964. During recent years, refined sugar prices in the Southeast, Gulf, and Pacific Coast areas generally remained between prices for beet sugar in the Chicago-West area and cane sugar in the Northeast. Wholesale prices of corn sirup in New York increased less though dextrose prices increased slightly more than Northeast wholesale refined sugar prices from 1950 to recent months.

While sugar and corn sweetener prices increased to some extent during 1950-64, non-caloric sweetener prices declined recently. Cyclamate sold for 72 cents per pound in October 1965, down from $1.95 per pound in January 1963. Likewise, while the decline was considerably less, calcium saccharin is currently selling for $2.10 per pound and sodium saccharin for about $1.40 per pound in contrast to $2.50 and $1.70 per pound, respectively, as recently as July 1964. These recent price reductions presumably were made to meet import price competition.

The sweetener industry has offered an increasing amount of services to their customers. Engineering services are provided to industrial users who wish to change to bulk blends or specification purchases. Increasing sales of bulk dry and bulk liquid sweeteners, bulk blends, and specification sweeteners reflect the growth of non-price competition. Bulk caloric sweetener blends are offered by sugar and corn sweetener companies alike. Similarly, non-caloric sweetener blends also are offered by both saccharin and cyclamate producers.

Current Outlook for Consumption and Prices

Per capita consumption of total caloric sweeteners increased slightly since the early 1950's but little change is occurring this year. Of the anticipated per capita consumption of about 96 pounds of sugar (refined basis) in 1965, about 30 percent will be beet sugar and the remainder cane sugar. Sugar consumption in 1966 probably will be near per capita consumption in 1965. Consumption of corn sirup in 1965 is about 14.0 pounds per capita and dextrose about 4.5 pounds. Per capita consumption of corn sirup in 1966 may increase slightly, but per capita dextrose consumption probably will remain about the same as in 1965. On a sugar equivalent basis, per capita consumption of saccharin probably will exceed 6.0 pounds in 1965 and for cyclamate 2.0 pounds. Both figures are expected to be somewhat higher in 1966.

United States raw sugar prices in 1966 likely will remain about steady. Corn sirup and dextrose prices probably will change little in 1966. Changes in non-caloric sweetener prices are less certain, but a price rise is unlikely. Prices have declined sharply in recent years, but may be approaching a price floor. There is substantial productive capacity in these industries.

United States consumers and industrial food users can look forward to obtaining a greater variety of sweeteners during 1966. A somewhat larger proportion of sweetener intake in 1966 will be embodied in commercially processed foods and beverages than in 1965. Sweetener prices are expected to continue low relative to those for other foods. Prices of commercial foods containing sweeteners probably will tend to rise somewhat more than sweetener prices during 1966. Sweetener costs are usually only a minor portion of total food manufacturing costs, with the exception of certain types of candy.

COMMODITY REVIEWS

Meat

Red meat consumption is declining this year and a further decrease is in prospect next year. Consumption this year is down about 6 pounds per person from 1964, when per capita consumption was a record 175 pounds. Sharply lower pork consumption accounts for most of the decline. Retail meat prices responded to the lower supply level, especially after the winter months. Retail meat prices (BLS) this year are averaging over 7 percent above the 1964 index of 99.4 and also will average the highest on record. Moreover, retail meat prices are expected to continue higher than year-earlier levels through much of 1966 because of a further reduction in supplies next year.

Beef consumption this year is down about a pound per person from the alltime high of 100.4 pounds in 1964. A slight increase in total beef production is being more than offset by population growth and smaller imports of beef. Most of the decline in per capita beef consumption this year took place in the second quarter; consumption was down more than a pound from the 25.7 pounds consumed per person in 1964. A small reduction in the number of cattle marketed out of feedlots and lighter average weights of slaughter cattle during the second quarter contributed to the drop in consumption. First quarter consumption was up a little and consumption during the second half of this year is expected to hold even with 1964 levels.

Retail beef prices rose rapidly during the spring and have continued higher since then. Higher prices to consumers this year reflect both a reduction in the amount of beef available per capita and strong consumer demand. In addition, the sharp cutback in pork production added strength to the rise in beef prices.

Beef consumption in 1966 likely will be down slightly from this year's level. Thus, retail beef prices next year probably will continue near 1965 summer levels and average higher than prices this year throughout most of 1966.

Consumption of veal in 1965 is totaling about the same or slightly lower than last year's 5.2 pounds per person. Veal consumption was up a little in the first half of 1965, but it likely will be down enough during July-December to more than offset the earlier increase. A further decline is in prospect for 1966. Consumers had to pay more for veal this year, as they did for other red meats. Retail veal prices likely will stay at these higher levels through the end of this year and in 1966.

Much smaller pork production this year is leading to about a 5-pound decrease in consumption from the 65 pounds last year. Larger imports of pork slightly tempered the decline in consumption this year. During the first 2 quarters of 1965, pork consumption was down almost a pound per person from 1964 levels and declines of over a pound are occurring in both the third and fourth quarters. Pork production was down this year because hog producers reduced output in response to low prices during 1963 and 1964. However, higher pork prices this year and lower feed prices next year are expected to encourage producers to expand pig raising operations in the first half of 1966, so pork supplies are likely to increase late in 1966.

Retail pork prices increased substantially last spring and summer. They are declining slightly this fall, but are remaining much above year-earlier levels. In the first half of 1966, retail pork prices are expected to average well above year-earlier levels. However, in the second half, prices probably will begin to decline and by the end of 1966, pork likely will be priced under 1965 year-end levels.

Lamb and mutton consumption is falling for the third straight year and probably will be down a little again in 1966. Most of the decline this year came in the first 6 months -- off about 18 percent from the 2.2 pounds a year earlier. Consumption during July-December likely is off only slightly from the 2.0 pounds consumed in these months of 1964.

Lamb cuts followed the same retail price pattern as other red meats; they moved toward higher levels this year. Prices made a larger-than-usual seasonal rise in the spring and summer. Lamb prices declined seasonally since then, but remained above 1964 levels. Next year, lamb prices are expected to be slightly higher than in 1965.

Fishery Products

Total supplies of fishery products during the first 8 months of this year were just above a year ago. Frozen inventories were little changed while landings of major edible species were running about 3 percent below last year. Landings of haddock, salmon, tuna, Pacific mackerel, and ocean perch were well below a year earlier. Shrimp was the only major species to show a considerable gain.

The loss from domestic landings was offset by a 7-percent increase in imports of edible fish, due mainly to a large increase in frozen blocks and slabs and in frozen shrimp. At the beginning of the year, it was feared that a shortage of fish blocks would curtail production of fish sticks and portions. However, with increased imports, supplies apparently will be ample at the start of the new year.

The small increase in supplies is not keeping pace with population growth. Therefore, per capita consumption in 1965 is about 10.5 pounds compared with 10.6 pounds in 1964. Consumption of fresh and frozen products is estimated at 5.8 pounds per capita, down from 5.9 pounds; consumption of canned products is remaining unchanged at 4.2 pounds, and cured at 0.5 pound.

With slightly decreased fishery supplies per capita and increased prices of competing products, retail fishery product prices this year have averaged above a year earlier. Prices strengthened in fourth quarter 1964, and continued with successive increases in the first 3 quarters of this year. The year will average above 1964 by about 3 percent, thus halting a 2-year drop in prices.

No large change in supplies is expected for 1966, although some increase appears likely. Higher prices this year may stimulate a little more fishing effort from the domestic fleet. However, the higher prices are more likely to attract additional imports to the American market. Supplies may be large enough to reestablish per capita consumption at the 1964 level.

Poultry

Chicken

Per capita consumption of chicken in 1965 is now estimated at 33.1 pounds, up from 31.2 pounds in 1964 and 21.3 pounds in 1955. Nearly 90 percent of the chicken meat this year will be supplied by commercial broilers compared with 65 percent 10 years ago.

Despite larger supplies, broiler-fryer prices to consumers in January-September 1965 averaged 4 percent higher than in 1964. This reflects the impact of reduced supplies and higher prices for red meats and the strength in the general economy.

Chicken (about 70 percent fowl) inspected by USDA for use in processed foods totaled 331 million pounds in January-September 1965 compared with 275 million pounds a year earlier. This "further processed" chicken was equivalent to 8 percent of all chicken certified in January-September, up from 7 percent in that period of 1964.

Broiler production in 1965 is up about 7 percent from 1964 and another large expansion is in prospect for 1966. Retail prices for broilers and fryers are expected to decline slightly in 1966, even though red meat supplies per capita likely will continue to decline. Per capita chicken consumption in 1966 likely will reach a new high -- probably around 35 pounds.

Turkey

Producers are raising 104 million turkeys this year, up from 100 million in 1964. Turkey slaughter may be up even more, probably about 6 percent, because turkeys are being carried to heavier weights this year. Per capita consumption probably will equal the 1961 record of 7.4 pounds, representing a gain of 2.4 pounds since 1955. About a fifth of the turkey slaughtered under Federal inspection will be processed beyond the ready-to-cook stage in 1965.

In 1966, another sizable gain in turkey production is expected. The largest expansion, percentagewise, may occur in the small fryer-roaster turkeys, the type that showed the greatest price rise in 1965. Much of the increase may come to market prior to the main holiday marketing season. At the same time, broiler supplies likely will be much more plentiful. Therefore, turkey prices in the first half of next year may be below the same period this year.

Eggs

Egg consumption per capita is averaging about 307 eggs in 1965, compared with 314 in 1964 and 371 in 1955. Eggs used in processed form probably will be down a little from the 30 eggs per capita in 1964 because USDA did not purchase dried egg solids for donations this year. Retail prices for Grade A large eggs in January-September averaged 50.3 cents per dozen compared with 53.4 cents in that period of 1964. The September price was 56.0 cents, up from 51.4 cents in August but down from 59.5 cents in September 1964.

Egg production in January-October totaled 4,513 million dozen, the same as in the like 1964 period. Output is now rising seasonally and will reach a peak next spring. However, production is likely to be a little under a year earlier late this year and in the first half of 1966 because the Nation's laying flock is expected to be smaller. After mid-1966, laying flocks probably will have been rebuilt and egg output probably will be above a year earlier by a significant margin. Output in all of 1966 may not be up enough to maintain per capita egg consumption at the 1965 level.

Egg prices to consumers are likely to remain relatively stable at about fall levels until next spring when a sharp seasonal decline is expected. In the second half of 1966 prices are likely to show a smaller seasonal rise than they have this year. Prices are expected to open 1966 much above the depressed prices of last winter and close the year below the 1965 levels. For all of 1966, prices may average about the same as in 1965.

Dairy Products

Milk production this year may total 125.5 billion pounds, about 1 percent below 1964. A slight rise is in prospect for 1966. Production of milk, seasonally low this fall, will begin increasing in December. Stocks of dairy products are below year-ago levels, so supplies in the fourth quarter of 1965 and early 1966 will average below year-earlier levels. Fourth quarter milk supplies will be close to commercial needs at existing prices, but appreciable supplies likely will again move to CCC in early 1966.

Per person use of milk in all forms in 1965 is totaling about 619 pounds, about 1½ percent below 1964, in milk equivalent terms. USDA donations declined but use per person from commercial sources may be about the same as in 1964. Distribution of butter and cheese from CCC supplies decreased about 1 billion pounds, milk equivalent. Farm use of milk continues downward as the number of persons on farms with milk cows declines. Most of the increased

sales was in fluid milk items, cheese, and frozen desserts. Retail prices for dairy products for the year will average about the same as 1964. Prices in 1966 likely will change little from 1965 levels.

In 1966, use per person of all milk and dairy products may be only slightly lower than 1965, compared with the 9-pound (milk equivalent) drop in 1965 from a year earlier. Consumption per person of fluid milk and cream from all sources in 1965 is estimated at 302 pounds, 3 pounds below 1964. The 1959-64 decline averaged 5 pounds annually. However, per capita sales of fluid skim milk products are rising near the sharp gains of recent years. School milk programs will use about 6 billion half-pints of fluid milk in 1965, about 5 percent of total civilian consumption. Prospects for 1966 point to a continued decline in consumption per person of fluid products (milk equivalent basis), though consumption of low-fat and fluid skim products is increasing.

Retail milk and dairy product prices in fourth quarter 1965 are averaging about the same as a year earlier. For the entire year, prices for butter, cheese, evaporated milk, and home-delivered milk are averaging slightly above 1964; prices for fluid milk at stores and ice cream are lower. For 1966, dairy product prices are expected to change little from 1965 levels.

Per capita consumption of butter this year is averaging 3 percent below 1964. Both CCC butter donations and commercial use have declined; margarine consumption is rising 1 percent per capita. A further downtrend in commercial demand in 1966 is likely. Cheese use per capita is about the same this year as last. The gain in commercial use for both American and other cheese varieties offsets a decline in CCC donations. Per capita consumption of nonfat dry milk may average the same as 1964. Per capita consumption of ice cream is estimated slightly higher than in 1964, and ice milk gains will continue about the same as last year's 7 percent rise. Use of evaporated milk is falling further this year. Consumption is down about 6 percent per capita this year and a further decline is expected in 1966.

Use per person of milkfat for 1965 is estimated at 22.9 pounds, 1 percent below 1964. Use per person of solids-not-fat this year probably will average 1 percent below the 41.6 pounds in 1964. In 1966, per capita use of both nonfat milk solids and milkfat may again decline slightly.

Food Fats and Oils

Domestic disappearance of edible fats and oils in calendar 1966 is expected to increase about in line with population growth, requiring an additional 125-150 million pounds. Per capita consumption has been relatively stable at around 47 pounds annually, though consumption declined about 1 pound per capita in 1965. In keeping with long-term trends, use of butter and lard (direct use) in 1966 is expected to be down from this year, but increased use of margarine and cooking and salad oils is anticipated. Use of shortening likely will remain about unchanged from a year earlier.

Total supplies of food fats and oils in the 1965-66 marketing year which began October 1 are forecast at 17.2 billion pounds (in terms of oil), about 5 percent above 1964-65 and slightly above the previous record of 17.0 billion pounds in 1963-64. The increase stems entirely from the record 1965 soybean crop, which more than offsets smaller starting stocks of food fats and the reduction in lard production. Both domestic use and exports are expected to increase above last season, but carryover stocks on September 30, 1966, probably will increase above this year due to some buildup in soybean stocks. Retail prices likely will remain relatively high, but no increases are expected comparable to those in the first half of calendar 1965.

Due to smaller beginning stocks and rising consumption, production of edible vegetable oils (cottonseed and soybean) during 1965-66 is expected to increase above that of last year, but lard output probably will be down significantly. Butter production will be down slightly. Starting stocks of vegetable oils (including oil equivalent of soybeans) on October 1 were down about 50 percent from a year earlier. Butter stocks also were down but lard stocks remained about unchanged.

Exports of edible fats and oils (including the oil equivalent of soybeans) during 1965-66 are forecast at about 5.2 billion pounds, up slightly from 1964-65. An increase in soybean exports likely will more than offset significant declines in edible animal fats. Exports of edible vegetable oils likely will be near the level of last year, around 2 billion pounds, as exports under the Food for Peace Program (P.L. 480) are expected to continue large. Last season, exports of vegetable oils under this program accounted for 56 percent of the total shipped.

During January-September 1965, retail prices of all major food fat products except salad dressing (Italian) showed increases over a year earlier. As a group, they averaged about 8 percent higher. Shortening prices were up 12 percent; cooking and salad oils, 9 percent; margarine, 7 percent; and peanut butter, 3 percent. Salad dressing prices were fractionally below a year ago. The increases resulted from the higher wholesale prices for edible fats and oils which began in the summer of 1964 and continued through the early part of 1965. In recent months, wholesale prices of most major fats and oils have declined and should result in retail prices this fall averaging below their highs of last spring. During calendar 1966, retail prices of the major food fat products likely will remain relatively strong but are expected to average slightly below 1965.

Fruit

Total supplies of fresh and processed fruits from now until mid-1966 may not be greatly different from the large volume a year earlier. Prospective supplies of fresh and processed citrus are up, remaining supplies of fresh deciduous fruits may be about as large as a year ago, but those of processed deciduous fruits are down. Retail prices for fresh and processed citrus fruits, which declined during 1964-65, may ease a little more in the months ahead. But prices for canned and frozen deciduous fruits are expected to average above year-earlier levels. Total supplies of edible tree nuts may be up somewhat.

Supplies of fresh citrus fruits until next summer are expected to be moderately larger than a year earlier. Prospective supplies of all kinds of citrus, except Florida tangerines and limes, are up. California Navels and Florida Valencias comprise most of the increase for oranges. Among grapefruit, Florida pink and white seedless account for most of the gain. Fewer tangerines but somewhat more Temple oranges, tangelos and lemons are expected this fall and winter than last.

Retail prices for fresh oranges and grapefruit have averaged somewhat lower in recent months than a year earlier and probably will decline a little more as harvest gains further momentum. Prices for lemons from the below-average 1964-65 crop have averaged higher each month of the season than a year earlier. Lemon prices may ease somewhat as supplies from the new crop become more plentiful.

Fresh deciduous fruits remaining from the 1965 crop consist mainly of apples, pears, grapes, and cranberries. Supplies of apples for fresh use after January 1 probably will be larger than a year earlier in the Eastern States, but smaller in the Central and Western States. Supplies of grapes are expected to be up. Fresh pears and cranberries are expected to be about as plentiful this year as last.

Retail prices for fresh apples and pears this fall and winter may average a little above year-earlier levels. Prices for cranberries may not differ much from a year earlier. But prices for grapes may be down somewhat.

Continued large supplies of bananas are in prospect at least until mid-1966. They are received throughout the year from foreign producing countries, of which Ecuador is the leading supplier. Shipments of fresh pineapples from Hawaii to the U.S. mainland probably will continue to increase. For the first 9 months of 1965, shipments were a fifth above a year earlier and more than twice those 2 years earlier.

Prospective supplies of canned fruits (mostly deciduous) from now to mid-1966 are moderately smaller than a year earlier. This **results** from a substantial decrease in the 1965-66 pack, which was only partially offset by increased packers' stocks at the start of the canning season. Supplies are down most noticeably from a year ago for canned peaches, pears, fruit cocktail, and cherries. Supplies of applesauce may not be greatly different from the year-earlier volume. Some increase in canned pineapple appears likely. Retail prices for some canned fruits already are higher than a year ago. In general, prices are expected to average somewhat higher this season than in 1964-65.

Supplies of frozen deciduous fruits and berries through the first half of 1966 may be fairly close to the year-earlier volume. Sharply increased stocks in mid-1965 may come close to offsetting decreases in the new packs. Sharp reductions from 1964 are indicated for strawberries and cherries. Retail prices for major items, especially strawberries, probably will average a little higher this fall and winter than a year earlier.

Fruit juice supplies (canned, frozen, and chilled) from now to mid-1966 are expected to be larger than the year-earlier volume. Citrus juices will account for most of the increase. Pineapple juice may contribute to the gain. Retail prices for citrus juices declined considerably during 1964-65 due to increased output. Juice prices may ease a little more in 1965-66.

Prospective supplies of dried fruits for the 1965-66 season are moderately larger than in 1964-65, mainly because of increased output of raisins and heavier carryover stocks of various items. Although dried prune production in 1965 is down a little, carryover stocks are up somewhat. After declining for many years, per capita consumption of dried fruits appears to have stabilized at approximately 3 pounds.

Supplies of edible tree nuts for 1965-66 are expected to total somewhat above last season. The 1965 crop of almonds, filberts, pecans, and walnuts is 12 percent above 1964, because of a large increase in pecans. Carryover stocks of some nuts also were up. Partly offsetting is an expected reduction in imports of Brazil nuts. Receipts of cashews, the leader among imported nuts, probably will be about as large as in 1964-65. Retail prices for pecans probably will be down somewhat. But prices for most other nuts are likely to be up a little.

Vegetables

Supplies of most vegetables into mid-1966 are expected to be larger than a year earlier. Fresh vegetable marketings are declining seasonally, but remaining fall crop supplies are up from a year ago. Total canned supplies are close to last season's supplies and frozen stocks are larger. Supplies of both potatoes and sweetpotatoes are considerably above the low levels of a year earlier. Because of larger supplies, retail prices of fresh vegetables are remaining below year-earlier levels through the fall. Prices for potatoes, sweetpotatoes, and frozen vegetables likely will continue below a year ago. But higher prices are in prospect for canned vegetables.

Total fresh vegetable supplies this fall are moderately larger than last year, with increases in prospect for most hardier commodities. Production of cabbage is up sharply and storage supplies of onions are record large. Fall output of carrots, lettuce, and spinach also is up substantially. Late fall supplies of tender vegetables such as tomatoes, cucumbers, snap beans, and peppers may be smaller than in 1964, because of less acreage and unfavorable weather in Florida and Texas.

Total canned vegetable supplies this season appear to be about the same as in 1964-65. Supplies of snap beans, sauerkraut, and green peas are much larger than a year earlier, and supplies of canned lima beans may be up a little. Offsetting are substantially less asparagus, and moderately fewer beets, pickles, and spinach. Supplies of canned tomatoes and all tomato products are expected to be down materially from the heavy supply of last season, although still above the recent 5-year average. Total frozen vegetable supplies are up moderately from a year ago, due principally to much larger stocks of peas, carrots and sweet corn.

Markets for canned vegetables are expected to be strong the next 6 to 8 months, with retail prices averaging above those of a year earlier. Higher prices are likely for all canned tomato items, beets, and asparagus, while prices for both sweet corn and lima beans probably will be about the same as last season. Only snap beans, kraut, and peas are expected to sell at lower prices. Prices for frozen vegetables probably will average slightly lower than a year earlier, reflecting more plentiful supplies of the major items. Per capita consumption of processed vegetables in 1965 is up a little from a year earlier, with gains indicated in use of both canned and frozen. Prospective supplies are adequate to maintain consumption at current levels until new pack supplies are available in the summer of 1966.

Supplies of potatoes for marketing this fall and winter are heavy. Fall crop production, mostly stored for later sale, was up a fourth from the short crop last year, and record large. Into late winter, prices at both farm and retail are expected to average sharply below the high levels of a year earlier. Although use of processed potatoes continues to rise, total potato consumption in 1965 is down about 5 pounds from 1964 due to the shortage of fresh market supplies last spring. But with large fresh market and processed supplies in prospect, consumption is expected to rebound in 1966.

Sweetpotato production this year was about average, although substantially larger than the small crop last year. Marketings are expected to continue seasonally heavy through December, then decline during the first half of 1966. However, supplies throughout the 1965-66 marketing season are expected to be substantially above a year earlier, and prices likely will average much lower. Consumption of sweetpotatoes in 1965 and the first half of 1966 is expected to be up slightly from year-earlier levels.

Because of unfavorable weather, dry edible bean production in 1965 is down substantially from last year. Since supplies of all leading classes are relatively light, retail prices this season for both packaged and canned beans probably will average at least moderately above a year earlier. Per capita consumption in 1965 is totaling about a tenth less than in 1964, and consumption is expected to continue below average until 1966-crop beans become available in late summer.

Cereal Products

Food Grains

The retail price of white pan bread during July-September 1965 was about 1 percent higher than a year earlier. In 1966, the average retail price of wheat products may be expected to continue its postwar upward trend, which has averaged nearly 2 percent a year.

Per capita consumption of flour in 1966 may average about 116 pounds, the same as the last 4 years. Per capita food use of rice and rye in 1966 may be unchanged from the levels of 7.6 and 1.4 pounds, respectively, currently indicated for 1965.

The new wheat program--provided by the Food and Agriculture Act of 1965--does not indicate a change in the price of wheat to processors. The price support loan level for wheat remains at a national average of $1.25 per bushel in 1966-67. The domestic wheat food processor is required to buy a marketing certificate valued at 75 cents on each bushel he uses, the same as in the current year. Thus, the loan level plus the cost of the certificates for these users is unchanged from the $2.00 per bushel in effect during the 1965-66 wheat marketing year, ending in June 1966. The new law further specifies that this total of $2.00 per bushel remain in effect through the 3 crop years folllowing 1966-67.

The supply of wheat, rye, and rice each continues well inexcess of domestic food requirements. However, the 1965 wheat crop is somewhat lower in protein content than last year, and protein is an important element in the manufacture of bread flour. This has increased the price of high-quality milling wheats and resulted in slightly higher wholesale prices for bakery flour. The cost of milling wheat used to produce 100 pounds of bakery flour, including the certificate payment, averaged about 4 percent higher during July-September 1965 than a year earlier, but wholesale bakery flour prices increased only about half this amount.

Corn, Oats, and Barley

Domestic consumption of corn sugar and sirup in 1965 will about equal the high 1964 levels. Increased demand for these products resulted in an increase in per capita consumption of about 35 percent for corn sirup and nearly 20 percent for corn sugar from 1960 to 1964. Per capita consumption of corn sirup in 1965 probably will be slightly higher than a year earlier and for corn sugar, slightly lower. Per capita consumption of these products in 1966 probably will continue near the high level of the previous 2 years.

Consumption of corn food products has risen during the past 8 years following a long-term downtrend. The increase in recent years has been due to the growing use of wet-process products (corn sugar, sirup, and starch) relative to dry-process products (cornmeal and hominy grits). Consumption of cornmeal has trended downward for a number of years, with much of the reduction in use by farm households. Per capita consumption of total corn products probably will be maintained over the next few years.

Consumption of oat and barley food products is comparatively small and has been stable in recent years. Annual consumption of oatmeal and other food products is estimated at about 3.5 pounds per capita. Consumption of barley malt for food amounts to about 1 pound per capita.

Prices of food products made from corn and oats have increased for a number of years along with the rising cost of processing and distribution. Retail prices currently are reported only for cornflakes, which averaged 1.4 percent higher in the first 9 months of 1965 than a year earlier.

Coffee

The average retail price of canned coffee declined to 83.5 cents per pound during September 1965, down from 85 cents a year earlier, but up from 69 cents in April 1963. The average retail price of instant coffee was 94 cents per 6-ounce jar during September 1965. Instant coffee prices also moved upward during 1963 and first half 1964. However, after June 1964 instant coffee prices declined substantially reaching a low of 90 cents in May 1965. The decline was much greater than for canned coffee. But, between May and September 1965 instant coffee prices increased nearly 4 percent.

A recent survey by the U.S. Department of Labor, Bureau of Labor Statistics, of twelve large metropolitan areas in August 1965 indicates that coffee prices differed widely among large cities. Of the twelve large metropolitan areas surveyed, the price of canned coffee was highest in St. Louis, 87 cents per pound, and lowest in Los Angeles, 78 cents. Instant coffee prices varied from a high of 97 cents per 6-ounce jar in Boston to 84 cents in Washington, D.C.

The decline in retail instant coffee prices between June 1964 and May 1965 was related to a reduction in robusta coffee prices, the dominant variety used in instant coffee. The average price of robusta coffee beans dropped from 37 cents per pound in June 1964 to 23 cents in May 1965. The retail price increase of instant coffee between May 1965 and September 1965 was due to a substantial recovery in robusta bean prices, rising from a low of 23 cents in May to 36 cents in September. The relative stability in retail prices for regular coffee reflect relatively stable prices for Santos #4, the Brazilian coffee used most commonly in regular coffee.

Total coffee consumption in the United States in 1964 remained virtually unchanged from 1962 and 1963 levels. However, on a per capita basis, it declined about 2½ percent from 15.5 pounds in 1963 to 15.3 pounds in 1964 (green bean equivalent). Per capita consumption apparently is continuing to decline this year.

Imports in the first 9 months of 1965 were down 16 percent compared to the same period of 1964. Roastings were down only 5 percent, and U.S. coffee stocks on September 30 were 35 percent lower than a year earlier. The decline apparently results from trade expectations of lower coffee prices in the coming year. The forthcoming world crop (1965-66) is expected to be of record size, half again larger than the previous year's short crop. Though world prices next year may drop as a result of increased production, quotas established under the International Coffee Agreement likely will keep prices relatively stable. Little change in U.S. per capita consumption is expected in 1966.

Table 18.--Production of major food commodities, calendar years, selected periods, 1947-65 1/

Commodity	Unit	Average 1947-49	Average 1957-59	1962	1963	1964	1965 preliminary 2/	1965 as a percentage of 1947-49	1965 as a percentage of 1957-59	1965 as a percentage of 1964
Meats (carcass weight) - Total	Mil.lb.	22,100	26,612	28,989	30,595	32,705	31,760	144	119	97
Beef	Mil.lb.	9,649	13,704	15,320	16,450	18,448	18,620	193	136	101
Veal	Mil.lb.	1,454	1,240	1,016	928	1,011	1,020	70	82	101
Lamb and mutton	Mil.lb.	716	711	809	770	715	650	91	91	91
Pork (excluding lard)	Mil.lb.	10,281	10,957	11,844	12,447	12,531	11,470	112	105	92
Poultry and eggs 3/										
Eggs	Mil.doz.	5,086	5,475	5,367	5,318	5,379	5,350	105	98	99
Chicken (ready-to-cook)	Mil.lb.	2,753	4,880	5,840	6,077	6,252	6,655	242	136	106
Turkey (ready-to-cook)	Mil.lb.	491	1,065	1,304	1,342	1,433	1,520	310	143	106
Dairy products										
Total milk	Bil.lb.	4/116.3	123.3	126.0	125.0	126.6	125.5	108	102	99
Cheese 5/	Mil.lb.	1,160	1,396	1,592	1,632	1,726	1,755	151	126	102
Condensed and evaporated milk	Mil.lb.	3,497	2,789	2,409	2,369	2,394	2,230	64	80	93
Ice cream (product weight)	Mil.lb.	2,758	3,212	3,381	3,444	3,531	3,600	131	112	102
Fats and oils - Total fat content 6/	Mil.lb.	7,627	11,070	13,335	13,653	14,025	14,421	189	130	103
Butter (actual weight)	Mil.lb.	1,611	1,477	1,579	1,453	1,468	1,415	88	96	96
Lard 7/	Mil.lb.	2,419	2,584	2,480	2,476	2,476	2,080	86	80	84
Margarine (actual weight)	Mil.lb.	839	1,549	1,726	1,794	1,857	1,905	227	123	103
Shortening	Mil.lb.	1,434	2,022	2,689	2,561	2,649	2,675	187	132	101
Other edible fats and oils 8/	Mil.lb.	3,912	7,297	9,584	10,007	10,367	11,202	286	154	108
Fruits										
Fresh:										
Citrus	Mil.lb.	8,783	6,695	6,180	4,852	5,688	6,400	73	96	113
Apples (commercial)	Mil.lb.	3,775	3,972	3,784	3,775	3,988	3,900	103	98	98
Other (excluding melons)	Mil.lb.	4,493	4,082	4,079	3,687	3,789	3,750	83	92	99
Processed:										
Canned fruit	Mil.lb.	2,597	3,591	4,922	4,371	5,426	4,578	176	127	84
Canned fruit juices	Mil.lb.	2,230	2,177	2,797	2,942	2,623	2,684	120	123	102
Frozen (including juice)	Mil.lb.	415	1,556	2,037	1,232	1,534	1,770	427	114	115
Dried	Mil.lb.	961	697	722	774	820	862	90	124	105
Vegetables 9/										
Fresh 10/	Mil.lb.	18,504	19,921	21,023	21,391	20,976	21,748	118	109	104
Canned	Mil.lb.	5,993	7,620	9,258	8,615	8,473	8,678	145	114	102
Frozen	Mil.lb.	439	1,183	1,493	1,455	1,507	1,665	379	141	110
Potatoes and sweetpotatoes										
Potatoes	Mil.cwt.	248	252	267	272	240	292	118	116	122
Frozen potato products	Mil.lb.	9	287	762	861	1,118	1,300	14,444	453	116
Sweetpotatoes	Mil.cwt.	25.3	18.2	19.4	15.8	15.3	17.4	69	96	114
Dry edible beans 11/	Mil.lb.	1,854	1,797	1,860	2,061	1,781	1,621	87	90	91
Dry field peas 11/	Mil.lb.	401	376	496	476	474	386	96	103	81
Melons 10/	Mil.lb.	4,061	4,454	4,478	4,742	4,378	4,356	107	98	99
Sugar, raw basis	1,000 tons	2,066	2,732	4,399	4,870	5,587	5,450	264	199	98
Grains										
Wheat	Mil.bu.	1,251	1,178	1,094	1,142	1,290	1,354	108	115	105
Rye	Mil.bu.	23.1	28.3	40.8	29.2	33.5	32.8	142	116	98
Rice, rough	Mil.cwt.	35.3	45.7	54.2	66.1	70.3	73.1	207	160	104
Corn, grain only	Mil.bu.	2,787	3,409	3,637	4,092	3,549	4,179	150	123	118
Oats	Mil.bu.	1,282	1,248	1,020	979	882	994	78	80	113
Barley	Mil.bu.	279	447	436	406	403	408	146	91	101
Peanuts, farmers' stock	Mil.lb.	2,128	1,613	1,810	2,022	2,205	2,391	112	148	108

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated.
2/ Based on the best available information but subject to revision in line with later data from the Crop Reporting Board.
3/ Includes an allowance for nonfarm production.
4/ Includes an allowance for nonfarm production of 1.1 billion pounds in 1947-49.
5/ Excludes full skim, cottage, pot, and bakers' cheese.
6/ Includes butter, lard, and "other edible fats and oils."
7/ Includes amount used in manufactured food and nonfood products.
8/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils, oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items.
9/ Excludes potatoes and sweetpotatoes.
10/ Covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use.
11/ Cleaned basis.

Table 19.--Retail food price indexes and Consumer Price Index, selected periods

(Index, 1957-59=100)

Year and month	Food at home																	Consumer Price Index
	Meats								Fruits and vegetables							Food away from home	All food	
	Beef and veal	Pork	Total 1/	Poultry 2/	Fish	Eggs	Dairy products 3/	Fats and oils 4/	Fresh	Processed	Total	Cereal and bakery products	Sugar and sweets	Beverages	Total			
1935-39	36.5	43.2	37.8	68.7	28.9	60.3	45.9	65.4	37.3	50.2	39.6	45.6	48.3	27.5	42.6	5/	41.9	48.7
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	5/	84.7	81.5
1950	97.0	87.8	91.4	126.1	89.0	104.7	84.7	94.2	76.6	81.7	79.0	78.8	86.9	85.9	87.1	5/	85.8	83.8
1951	113.3	93.1	103.6	132.1	101.6	127.4	94.5	110.3	83.1	92.4	86.3	86.0	90.1	94.7	96.9	5/	95.4	90.5
1952	112.4	92.1	102.6	132.6	99.0	116.3	98.5	93.5	96.6	91.0	94.8	88.1	90.9	95.3	98.6	5/	97.1	92.5
1953	88.6	102.5	95.8	129.3	95.3	123.2	96.8	93.9	91.1	93.2	91.8	89.8	91.9	97.9	96.8	89.3	95.6	93.2
1954	85.3	105.7	95.3	116.7	95.8	103.1	93.7	98.9	89.3	92.6	90.5	91.9	93.8	116.3	96.3	90.9	95.4	93.6
1955	84.4	91.0	87.7	121.5	93.9	106.5	93.6	95.9	91.0	93.4	91.8	93.4	95.8	104.2	94.4	91.8	94.0	93.3
1956	83.1	86.4	84.8	106.5	93.8	105.9	96.0	98.0	96.3	96.3	96.3	94.7	93.6	108.9	94.8	93.6	94.7	94.7
1957	89.2	99.5	94.2	103.8	95.0	100.9	98.8	102.4	97.0	94.2	96.0	98.4	96.3	108.1	97.9	97.1	97.8	98.0
1958	103.8	106.1	104.9	102.6	101.6	106.1	100.3	101.2	104.0	100.8	102.8	100.4	100.7	100.5	102.2	100.0	101.9	100.7
1959	106.9	94.4	101.0	93.5	103.4	92.9	101.0	96.5	99.1	105.0	101.2	101.2	102.9	91.3	99.7	102.8	100.3	101.5
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.1
1961	102.5	98.2	100.5	85.8	105.8	100.1	104.8	98.6	103.5	105.6	104.2	105.4	101.4	90.7	101.5	107.8	102.6	104.2
1962	106.2	99.1	102.5	90.7	110.2	94.6	104.1	98.5	106.3	102.6	105.0	107.6	101.4	89.3	102.2	110.7	103.6	105.4
1963	105.0	96.6	100.9	89.3	110.0	96.0	103.8	95.7	112.6	108.3	111.0	109.1	110.1	90.4	103.5	113.2	105.1	106.7
Jan.	109.3	98.4	103.6	90.0	111.0	103.1	103.8	96.8	108.3	103.2	106.4	108.7	102.0	88.9	103.2	112.3	104.7	106.0
Feb.	108.9	97.1	102.8	91.0	110.0	100.1	103.6	96.8	111.9	105.2	109.4	109.2	102.6	89.1	103.5	112.5	105.0	106.1
Mar.	107.1	95.2	101.2	91.1	110.4	98.6	103.5	96.2	111.8	105.8	109.6	109.1	102.9	88.9	103.0	112.6	104.6	106.2
Apr.	103.5	91.9	98.3	89.8	110.5	96.1	102.9	96.0	115.1	106.5	112.0	109.2	103.1	88.7	102.6	112.8	104.3	106.2
May	103.3	91.5	98.1	88.5	111.1	85.2	102.8	95.5	117.4	107.7	113.9	109.3	106.0	89.2	102.5	112.9	104.2	106.2
June	101.8	94.1	98.6	89.4	110.3	83.6	102.8	95.3	119.7	108.5	115.6	109.2	121.2	89.9	103.4	113.0	105.0	106.6
July	102.9	98.9	100.9	88.9	109.7	88.2	103.3	95.4	124.1	109.3	118.7	109.2	117.9	91.3	104.8	113.1	106.2	107.1
Aug.	104.9	101.0	102.6	88.1	109.1	91.7	104.2	95.7	116.6	110.0	114.2	109.1	114.0	92.0	104.5	113.3	106.0	107.1
Sept.	105.1	100.8	102.6	89.0	109.2	102.8	104.3	95.4	107.0	110.2	108.1	109.1	110.0	91.8	103.8	113.6	105.4	107.1
Oct.	104.8	98.2	101.4	88.5	108.8	103.6	104.6	95.2	104.0	110.4	106.3	109.1	109.9	91.6	103.2	114.0	104.9	107.2
Nov.	104.6	96.1	100.4	88.5	109.5	99.2	104.8	95.1	106.7	111.1	108.2	109.1	114.3	91.8	103.4	114.0	105.1	107.4
Dec.	103.3	95.5	99.7	89.0	109.7	99.6	105.0	95.4	109.0	111.4	109.8	109.0	117.0	92.1	103.7	114.3	105.4	107.6
1964 6/	101.9	96.1	99.4	87.3	107.4	95.0	104.7	95.4	119.2	110.8	115.3	109.6	115.5	101.4	104.7	115.2	106.4	108.1
Jan.	102.2	94.8	99.0	87.4	108.8	106.0	105.0	96.2	113.2	112.0	112.4	109.1	117.9	93.4	104.2	114 3	105.8	107.7
Feb.	102.2	94.7	99.0	87 1	108.5	101.4	104.8	95.9	115.6	112.2	113.9	109.0	118.3	95.7	104.4	114.4	106.0	107.6
Mar.	100.6	93.6	97.9	86.5	107.1	93.3	104.5	95.1	117.7	112.2	115.1	108.8	117.6	98.6	104.0	114.7	105.7	107.7
Apr.	100.5	93.3	97.7	85.7	107.1	90.8	104.1	95.4	118.6	112.5	115.7	108.8	117.0	101.0	103.9	114.9	105.7	107.8
May	99.7	92.8	97.3	85.7	106.9	85.3	103.9	95.0	119.0	111.9	115.7	108.9	116.6	102.4	103.7	115.0	105.5	107.8
June	99.0	93.5	97.2	87.5	106.5	83.3	104.0	94.6	127.4	111.4	120.2	109.2	115.5	103.4	104.4	115.1	106.2	108.0
July	101.4	97.2	99.5	89.1	106.5	87.9	104.3	95.0	131.4	111.1	122.3	109.2	114.3	103.8	105.7	115.2	107.2	108.3
Aug.	101.7	98.8	100.2	87.5	106.6	93.8	104.4	94.7	123.0	110.3	117.3	109.6	114.2	104.1	105.3	115.3	106.9	108.2
Sept.	105.1	102.7	103.0	87.7	106.4	104.9	104.6	94.7	114.5	109.6	112.2	109.9	114.0	103.7	105.6	115.5	107.2	108.4
Oct.	104.6	99.7	101.9	88.2	107.2	100.3	105.3	95.4	114.1	109.1	111.7	110.4	113.9	103.4	105.3	115.7	106.9	108.5
Nov.	103.3	96.9	100.4	87.8	108.0	98.5	105.3	96.1	116.4	109.0	113.0	110.7	113.7	103.4	105.1	115.9	106.8	108.7
Dec.	102.9	95.4	99.8	87.9	108.7	94.9	105.6	97.6	119.4	108.6	114.5	111.0	113.4	103.4	105.1	116.0	106.9	108.8
1965																		
Jan.	103.1	96.2	100.1	86.7	109.3	91.6	105.6	100.7	115.7	108.6	112.4	111.1	113.5	103.3	104.8	116.1	106.6	108.9
Feb.	102.4	97.0	100.0	89.2	110.1	86.1	105.2	102.2	118.2	107.5	113.3	110.7	113.3	103.0	104.8	116.3	106.6	108.9
Mar.	102.6	97.4	100.3	88.9	109.9	83.5	105.0	102.5	122.2	106.9	115.3	110.9	113.6	101.5	105.0	116.5	106.9	109.0
Apr.	102.6	97.5	100.4	89.0	110.1	88.6	104.5	103.4	126.4	106.7	117.6	111.0	113.7	100.4	105.5	116.8	107.3	109.3
May	103.9	98.6	101.3	87.4	110.3	87.5	104.2	103.6	133.5	106.2	121.4	110.8	113.7	99.8	106.2	116.9	107.9	109.6
June	109.6	108.9	108.0	93.5	110.4	83.9	104.0	103.9	141.6	105.8	125.9	111.0	113.9	100.2	108.8	117.2	110.1	110.1
July	110.9	117.2	111.6	93.0	110.8	87.2	104.3	103.5	138.6	106.1	124.3	111.1	113.8	100.2	109.7	117.6	110.9	110.2
Aug.	110.1	119.9	112.5	92.3	111.1	90.5	105.0	103.3	121.2	106.4	114.6	111.1	113.9	100.4	108.6	118.2	110.1	110.0
Sept.	109.8	119.9	112.5	92.0	111.0	98.6	105.3	103.1	110.2	106.7	108.5	111.3	113.8	100.1	108.0	118.8	109.7	110.2

1/ Beef, veal, lamb and mutton, pork, and processed meat.
2/ Chicken only prior to 1964.
3/ Includes butter.
4/ Excludes butter.
5/ Data not collected prior to 1953.
6/ Revised beginning January 1964. Item selection and quantity weights reflect the buying pattern of wage earners and clerical workers in 1960-61 and for the first time include single person families. Series are linked at December 1963. The averages for fats and oils after December 1963 are computed by Economic Research Service using data for items additional to those in the CPI.

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